

The CREDIT WORLD



Official Organ of the

RETAIL CREDIT MEN'S NATIONAL ASSOC'N

Executive Offices
EQUITABLE BUILDING
St. LOUIS, MO.

Issued Monthly by
DAVID J. WOODLOCK, Editor
St. Louis, Mo.

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W. T. SNIDER
FRANKLIN BLACKSTONE



EDITORIAL

DAVID J. WOODLOCK, Editor

GEO. A. LAWO

IN the election of Geo. A. Lawo, of Gerber Brothers, Memphis, Tenn., we have placed the destinies of this Association in the hands of the man who made "Peerless Tennessee" the leader of all States in Retail Credit affairs, and gave Memphis the largest Local Association in our organization.

Pleasing in appearance, mild in manner, courteous and polite, Mr. Lawo is an ideal Southern gentleman. He is a hard and tireless worker, and possesses rare ability to organize.

He is a leader in civic and social affairs in Memphis, and a member of the firm of Gerber Brothers. Having been a member of the R. C. M. N. A. since its organization and having served a year as Second Vice-President and a year as First Vice-President, he is thoroughly familiar with National Association affairs.

FRANKLIN BLACKSTONE

IF there existed any doubt in the minds of our members regarding the qualities of leadership possessed by President Blackstone, they were dispelled by his masterly handling of the Convention at Detroit. Through four days of a long and crowded programme he welded the gavel in such a manner as to bring the praise and compliment of all the delegates.

His military training, combined with his alert mind and good judgment, made such an impression on the delegates that they assembled promptly and remained in the Convention Hall until adjournment, something previously unheard of, and truly a great compliment to the man in the chair. When future generations shall write the history of the Association, Franklin Blackstone will stand out as one of the greatest diplomats and parliamentarians that ever held the office of President.

LOOKING FORWARD

WITH this issue of the Credit World we begin a new fiscal year which, in our opinion, will eclipse all previous years. The great record of the past twelve months, the enthusiasm aroused by our Detroit Convention, the wonderful combination of officers, Lawo, of Memphis; Nelson, of Nebraska; Connolly, of New York, together with the completion of the organization of our National office, cannot fail to attract to our ranks Retail Credit Grantors in all parts of the land. This will be a year of service.

We feel sure not alone the credit men, but the store owners, realize ours is not a selfish motive, but that we are working for the benefit of all, and therefore entitled to the support of all.

THE DETROIT CREDIT MEN

WE all take off our hats to the Retail Credit Men of Detroit. Their work in caring for the comforts and providing entertainment for the Delegates to the R. C. M. N. A. Convention was such as to make a lasting impression on all who had the pleasure of spending the week of August 9th in their beautiful city. Nothing was left undone from the meeting of arriving delegates at the trains to the wonderful banquet of Thursday night.

The thanks of every member is due Mr. E. B. Schick, General Chairman, Mr. D. W. Ahl, Mr. Brodie, Mr. Solomon, Mr. Stevenson, Mr. Himmelhock, Mr. Sparks, Mr. Rathbun, Mr. Matthias and Miss Jane Todd, as well as the other members who assisted the committee.

The memory of the boat ride up Detroit River and Lake St. Clair, will linger long in the minds of all of us, and words fail to express our appreciation of the Banquet, but we can close our eyes and recall the wonderful scene of Seven Hundred Credit Men and Women wearing fancy paper hats and blowing horns while hundreds of toy balloons floated above our heads. The Menu was excellent and the Speaking Programme so well balanced as to not become tiresome. The famous poet of the plain people, Edward Guest, stirred the heart strings of his hearers and brought tears to many eyes, then the toastmaster, Dr. Rice, and Hon. Lawrence McDaniels brought us back to earth with talks bristling with ready wit and good logic.

President Blackstone was evidently impressed with the spirit of the occasion, as he sounded a note of optimism and assured his hearers that credit men were not pessimists.

We thank the Detroit Credit Men and the Detroit Retail Merchants for making our 1920 Convention the great success it was.

CHANGES IN THE BY-LAWS

Increase in Dues of Local Association Members.

The dues of all members has been made \$5.00 per year. This was made necessary because of the increased cost of operating—publishing the Credit World and maintaining the National Office. It met with the unanimous approval of the delegates.

Who May Join.

"Sec. 1. The membership of this Association shall consist of Retail Credit Men, and other persons identified with the granting of credit; also Rating Bureaus, or Mercantile Agencies, holding membership in Local Retail Credit Associations.

Number of Directors.

The number of Directors were fixed at fifteen and the retiring President becomes automatically a director for one year following his term as President.

One of the messages of importance from the Detroit convention is by Kalamazoo:

WHO AM I?

I am more powerful than the combined armies of the world.

I am more deadly than bullets, and have wrecked more homes than the mightiest of siege guns.

I steal in the United States alone \$300,000.00 each year.

I spare no one, and find my victims among the rich and poor alike; the old and young; the strong and weak; widows and orphans know me.

I massacre thousands upon thousands of wage earners in a year.

I lurk in unseen places, and do most of my work silently. You are warned against me, but heed not.

I am relentless. I am everywhere; in the home, on the street, in the factory, at railroad crossings, and on the sea.

I bring sickness, degradation and death, and yet few seek to avoid me.

I destroy, crush, maim; I give nothing, but take all; I am your worst enemy.

I AM CARELESSNESS!

So let us murder carelessness in cold blood.

FROM DULUTH, MINN.

PLEASE notify members to beware of cashing stolen Soo Line time checks which may be passed by a good-looking young man wearing a small Masonic pin. The man is rather tall and of trim build, probably 5 feet 10 or 5 feet 11 inches, weighing probably 150 or 160 pounds. A clean cut face, dark hair and eyebrows. Probably grey or blue eyes. He may wear either a navy blue or grey suit. He wore a stiff straw hat, spoke glibly and rapidly.

The check is made out for services as machinist at 90 cents per hour.

Hoping that you will give this instant and wide publicity, we are,

Yours very truly,
GEORGE A. GRAY COMPANY.

FROM DETROIT, MICH.

JACK Hale, passing checks on printed form, Troy Spring Co., Beldingville, N. Y.

FROM OKLAHOMA CITY

FORGERIES ON J. L. WOODY LEATHER CO.

FIFTEEN hundred dollars worth of forged checks are reported, forging the name of the J. L. Woody Leather Co. Hold party and phone or wire J. L. Woody, this city.

FROM OKLAHOMA

CHECK ARTIST WORKING THE STATE

A WOMAN described as 5 feet 7 inches, weighing 140 pounds, having dark hair and eyes, has been reported from many sections of the State as giving no account checks. This party has been reported from Fort Smith, Ark., Bartlesville, Durant, and put over two checks in Oklahoma City. Description from Fort Smith gives her height as about 5 feet 5 inches, medium weight, rather dark complexion, having a very intelli-

gent appearance, wearing a dark blue dress and had with her a very attractive and robust baby about 9 months old. The names used in the various cities are Mrs. C. C. Cullum, Mrs. M. H. Little, Mrs. M. H. Richards, Mrs. M. O. Cullums and Mrs. W. R. Graves. The method that was used in this city was to represent herself to the salesman as having purchased merchandise from him many times, until the salesman really believed he was acquainted with the woman. He then introduced the lady to the credit man as a customer of long standing of the store.

FROM GREELEY, COLO.

YOUNG man, age 22, 5 feet 8 inches tall, dark complexion, medium height, wearing rough clothes and cap, sport shirt or shirt turned in at collar, cashed check of Goodman-Neill Clothing Company on Union National Bank with the name of Carl Milton, local farmer, forged to same; check made payable and endorsed by George Carlson.

In case other checks are offered by this party, or with this signature, notify the sheriff or call this office. Do not let party get out of sight.

Parties having short checks or knowing of any short checks out against J. Katz, drawn on Union National Bank, notify this office. Party was Jewish cattle buyer; his son, 2803 W. 14th Ave., Denver, was here today, to get list of checks. Katz has been missing for sixty days.

Frank Paddevsck, Austrian farm hand, who forged checks on May 30th, 1920, on J. W. Short, Axel Carlson, E. J. Elam, amounting to \$600.00, is under arrest at Sheridan, Wyo. Parties having evidence against this party, please notify this office or the sheriff.

J. P. McKeen, who obtained money from professional men here on May 19th, 1920, claiming to represent the Fleming Auto Supply Co., under false pretenses, has been arrested at Moorhead, Minn. He also secured money at Boulder, Ft. Collins and Ft. Morgan.

NEW OFFICERS AND DIRECTORS

The following Officers and Directors were elected

<i>President</i>	- - - - -	MR. GEORGE A. LAWY Jno. Gerber Company, Memphis, Tenn.
<i>First Vice-President</i>	- - - - -	MR. E. W. NELSON Rudge & Guenzel Company, Lincoln, Neb.
<i>Second Vice-President</i>	- - - - -	MR. JNO. M. CONNOLY Crichton Bros., New York, N. Y.
<i>Secretary and Treasurer</i>	- - - - -	D. J. WOOLOCK Equitable Bldg., St. Louis, Mo.

DIRECTORS

<i>For Three Years</i>	- - - - -	MR. SIDNEY E. BLANDFORD R. H. White & Co., Boston, Mass. MR. W. SLATER Sterling & Welsh Co., Cleveland, Ohio. MR. W. T. SNIDER Scruggs, Vandervoort & Barney D. G. Co., St. Louis, Mo. MR. J. W. LEWIS Union Bank & Trust Co., Los Angeles, Cal. MR. MARTIN LARSON Shriver-Johnson Co., Sioux Falls, S. D. MR. ADOLF GRASSO Retail Merchants Association, San Antonio, Texas. MR. H. J. BURRIS Berkson Brothers, Kansas City, Mo. MR. EDWARD MILNER Capper & Capper, Chicago, Ill. MR. FRANKLIN BLACKSTONE Joseph Horne Co., Pittsburgh, Pa.
<i>For Two Years</i>	- - - - -	
<i>For One Year</i>	- - - - -	

FROM BIRMINGHAM, ALA.

A WOMAN representing herself as Miss Florence Morrow, made application for position as a stenographer with the Dictaphone Co., of Birmingham, Ala.

In her application she stated she received her business course at the Munson Business College, Columbus, Ohio. She also stated that she was single. Investigation shows that she was living with a private family with a man whom she claimed as her husband, who went by the name of Raymond R. Morrow. This woman was employed as a stenographer in a local office, and after working two or three weeks, during the absence of her employer, she secured from his check book several checks, making same out to herself and forging her employer's name to same, using firm's protector-graph. The husband passed these checks for her.

This woman is described as follows:

Twenty-five to 35 years old, 5 feet 9 inches, 110 pounds, slender, homely looking.

Man is 25 years old, 5 feet 9 inches, 140 pounds, sandy hair, has good many gold teeth in mouth.

These people claimed to have come to Birmingham from Atlanta, Ga. They dyed their hair red just before they left Birmingham.

Send all information regarding these parties to Bodeker's National Detective Agency, Inc., Suite 209-10, 11-12 Brown Marx Building, Birmingham, Ala.

TULSA AND SAPULPA BOTH GET ONE OF THESE

A NOTHER check artist, working his way along, was successful in both Tulsa and Sapulpa the last of last week. Only one check in each place has been reported. The check cashed in Tulsa at a local jewelry store was made out to John G. Cunningham, drawn on the First National Bank, signed Harris E. Wood, the party presenting check stating that Mr. Wood was "District Engineer, State Highway Dept." This check was for \$75.00, the cashier buying a Masonic ring for \$40.00 and getting the balance in cash.

The Sapulpa check, which is for \$45.00, is identical except that it is drawn on the Exchange National Bank of Tulsa. If these merchants or their clerks who cashed the checks had stopped to think they would have known that the accounts of the State Highway Department are carried in Oklahoma City banks, and not in Tulsa banks. Also they should have asked some identification of the man, John G. Cunningham, cashing the checks.

SAN ANTONIO, TEXAS, NOTICE—Man about 30 years, weight 160 pounds, height 5 feet 6 inches, black hair, brown eyes, well dressed, uses a different name every day, but usually draws checks signed with the name of some real estate firm, on the American National Bank of Austin, Texas. Has visited many Texas towns.

FROM BIRMINGHAM, ALA.

THE following checks were passed in Birmingham, August 8, by L. C. Thrash, who conducted a meat market at 1712 4th Ave., for about four weeks under the name of Hamilton & Thrash, and later as L. C. Thrash. St. Jeane, the tailor, sold suit of clothes and he gave check for \$32.50, which came back marked "insufficient funds;" also many others were given. He was connected with W. D. Lane Gro. Co., at 15th St. and 5th Ave., for about one year as butcher, who states that he is inclined to drink considerably. It is thought that his people live in Ohio. His age is about 35 or 40 years, weight about 150 pounds, has gray hair.

FROM LOS ANGELES

KOLBE, KATHLEEN.

CHECKS drawn on the Los Angeles Trust & Savings Bank, dated July 10th, 1920, are being returned "Has No Account." Description: Age 30 years, height 5 feet 5 inches, weight 125 pounds, medium build, blue eyes; hair, light colored.

LEWIS, SEARLES.

CHECKS drawn on Farmers & Merchants National Bank, of Camarillo, Cal., signed Searles Lewis, and returned, marked "Refer To Maker." The above signature is a forgery, and also there is no such bank.

WICHITA, KANSAS, WARNS

LOOK OUT for young man about 20 or 22 years, reported to have passed bad checks at several places; usually signs "R. Hoffman." Also look out for a man signing "F. H. Roosa," may be wearing officers uniform; age about 33 years, height 5 feet 8 inches, blond, sandy hair.

SAN ANTONIO, TEXAS, NOTICE

MAN about 30 years, weight 160 pounds, height 5 feet 6 inches, black hair, brown eyes, well dressed; uses a different name every day, but usually draws checks signed with the name of some real estate firm on the American National Bank of Austin, Texas. Has visited many Texas towns.

FROM TULSA, OKLA.

BEWARE OF SUMMER TOURING PARTIES

A MAN using the name of Oliver Meeker is reported to have cashed a check for \$57 on the First National Bank of Duncan, Okla., which was returned marked "No Account." He is described as 45 to 50 years of age, 5 feet 5 inches, florid complexion, wearing overalls and had the appearance of a working man. Stated that, accompanied by his wife, he was driving to Colorado. He purchased a tent, two cots and a camp stove. Another warning was recently published relative to a touring party cashing worthless checks.—Oklahoma City Bulletin.

MORE LUMBER COMPANY FORGERIES

SEVERAL weeks ago we reproduced a warning about forgeries on the Long Bell Lumber Co. Now comes a report from a local member that a check on the Frost-Johnson Lumber Co., signed G. C. Buchanan, Treas., has been returned "Signature incorrect." The check was made payable to F. M. Warburg, dated Shreveport, La., July 19, 1920, for \$28.50, printed on blue safety paper on the National Bank of Commerce, St. Louis. G. C. Buchanan is unknown to the Frost-Johnson Lumber Co. The work is similar to the Long Bell Lumber Co. forgeries. There may be more; so be on the watch.—Oklahoma City Bulletin.

LOS ANGELES ADVISES

J. E. BRADFORD is passing printed form checks drawn on various banks and using names of the different firms of this city. These checks are made out on typewriter, protectographed and always signed with lavender ink with a heavy hand. Description: About 30 years old, 5 feet 10½ inches, 180 or 185 pounds, dark complexion, smooth shaven, perfect set of teeth, neat appearance.

Publicity Gets Attention!

JT is only the man," says George Bernard Shaw, "who has no message who is too fastidious to beat the drum at the door of his booth." And this, by the way, must have been adopted as a motto by our Los Angeles friends, as we note that they have been doing an unusual large amount of "drum beating" of late. Questioned as to whether this has been productive of worthwhile result, Mr. V. Haresnape, Manager of the Retail Merchants' Credit Association of Los Angeles, advises us that the full page ad which was carried in the July issue of the "Credit Man" paid for itself in one day. Not less than fourteen accounts were received on the Monday following its release, who recited, "We noticed your ad in the 'CREDIT WORLD,' and enclose, etc."

In addition to the advertisement which we mention and which, by the way, was cleverly composed as you will agree, there was sent out to every association of whom the Los Angeles Association is aware a letter detailing a new theory of protection under which they operate and offering through their moral influence, or their collection department if requested, to help retailers throughout the United States to locate their "skips" and secure settlement of unpaid accounts.

They promised to urge refusal of credit privileges by their merchants to any such debtors. This is a very generous offer, and while the idea has, no doubt, been in the minds of many of us, this is the first endeavor that we know of to place it in a form that could be capitalized. We have no doubt that it will be repeated in many other localities as its popularity and value become apparent. The idea has attracted so many complimentary expressions to the Los Angeles Association that we feel the letter would be of interest to our entire membership. (Perhaps some reporting mediums may not have notified their clients of this free service at all.)

When a baby gets "stuck," it *yells*; when your credit men get stuck, they make an entry, "mail returned," and charge it off to P. & L. Which gets results?

Wouldn't your merchants like to know how and where to yell?

We are a large, co-operative, merchant-owned combination of live wires, and we've a hobby—antecedent information. We want to know and will list *free of charge* for your benefit every slow-pay and skip headed "west" from your city—for, sooner or later, that means Los Angeles.

Having trimmed you, he'll try us, but he can't become our debtor until he pays your bill, if you've told us about it. And, if he doesn't want to pay, we have another hobby—our *Collection Department*. Not a wishy-washy, half-hearted, outside adjunct, but a part and parcel of the organization, having its salaried attorney, complete access to our files and exceptional support from our full membership.

Remember, only two people know when you have a skip—and one isn't apt to tell!

COLLECTION SERVICE

BIRMINGHAM, ALA.

Mr. W. V. Trammell, Merchants Credit Association, 223 First National Bank Bldg.

MOBILE, ALA.

Mobile Adjustment Co., 511 City Bank Bldg.

LOS ANGELES, CALIFORNIA

Mr. H. G. Bittleston, 215 Delta Bldg.
Retail Merchants Credit Association, Inc.,
300 I. W. Hellman Bldg.
Mr. A. P. Michael Narlian, 415-417 Higgins
Bldg.

HARTFORD, CONNECTICUT

Connecticut Credit Bureau, 415 Palace Theatre Bldg.

CHICAGO, ILLINOIS

Mr. Frederick L. Davies, Credit Reference Exchange, 35 S. Dearborn St.

DES MOINES, IOWA

Credit Reference and Reporting Co., 312 Crocker Bldg.

COVINGTON, KENTUCKY

Credit Men's Association of Northern Kentucky, Covington, Ky.

NEW ORLEANS, LOUISIANA

Business Men's Credit Bureau, 1919 Maison Blanche Bldg.

SPRINGFIELD, MASSACHUSETTS

Mr. Claude King, Pres. Beacon System, Phoenix Bldg., 307 Main St.

DETROIT, MICHIGAN

Adjustments-Detroit, Ltd., Suite 714 Free Press Bldg.

LANSING, MICHIGAN

Mr. M. H. Vogel, Sec'y and Mgr. Business Men's Credit Association, 506 Prudden Bldg.

MINNEAPOLIS, MINNESOTA

Mr. S. L. Gilfillan, Sec'y Minneapolis Associated Credit Exchange, Inc., 314 Nicollet Ave.

ST. JOSEPH, MISSOURI

Snow-Church Collection Co., 116 Corby Forsee Bldg.

ST. LOUIS, MO.

Associated Retail Credit Men, Chamber of Commerce.

LEWISTON, MONTANA

Mr. P. S. Gerlings, Suite No. 1 Empire Bank Bldg.

LINCOLN, NEBRASKA

The United Credit Bureau.

OMAHA, NEBRASKA

The Adjustment Bureau, 208 Laflang Bldg.

CAMDEN, N. J.

J. William Pennell & Company, 506-7 Commonwealth Bldg.

TRENTON, NEW JERSEY

J. William Pennell & Company, 506-7 Commonwealth Bldg.

BUFFALO, NEW YORK

Retail Merchants Association, 701-16 Chamber of Commerce Bldg.

NEW YORK, NEW YORK

Mr. Herman Steinberg, 299 Madison Ave., at 41st St.

CINCINNATI, OHIO

Mr. Ernest R. Gwinner, Mgr. The L. Roescher Collecting Co., Bell Block.

PORTLAND, OREGON

Emmons & Emmons, 728-731 Morgan Bldg.

NASHVILLE, TENNESSEE

The James Sanford Agency.

OGDEN, UTAH

Mr. M. Stewart, Mgr. Merchants Credit Bureau.

SEATTLE, WASHINGTON

Mr. A. R. Phillips, Pres. Asher Bros., Inc., 430-1-2-3 Pioneer Bldg.

SPOKANE, WASHINGTON

Merchants Collection Co., 731-732 Peyton Bldg.

KENOSHA, WISCONSIN

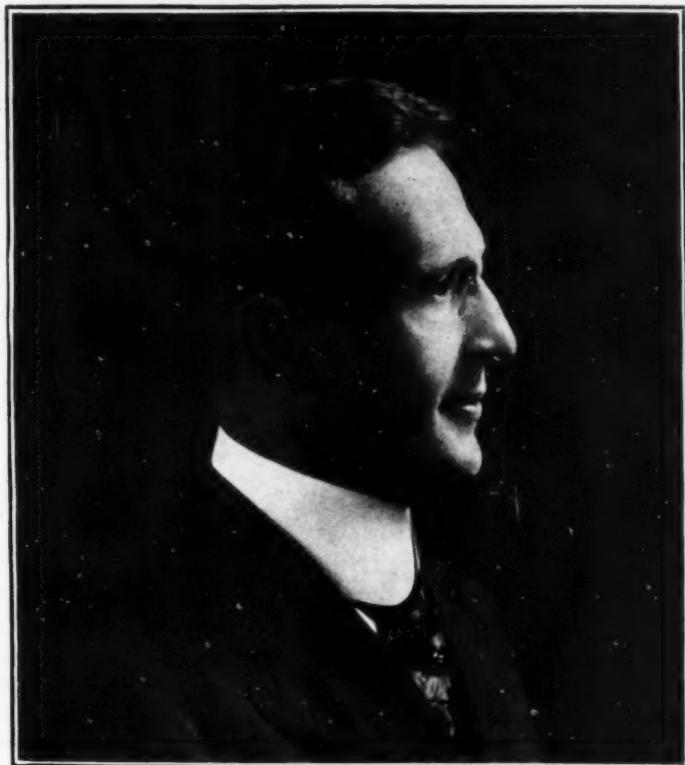
Kenosha Retailers Association.

LA CROSSE, WISCONSIN

Commercial Service Bureau, 314-15 Newburg Bldg.

**OUR GOAL THIS YEAR
SIXTEEN THOUSAND MEMBERS**

Let every member get a member



GEORGE A. LAWO
Our New President

MR. LAWO is about forty years of age. He was born in New Orleans, but moved to Memphis at the age of five. He attended the Memphis Public Schools and from there went to Christian Brothers College, Memphis, which is one of the leading institutions in that section. After leaving there he went with the L. & N. Railroad, entering their employ as office boy in the ticket office, after which he went to the Superintendent's office, and later to the freight department. He was with the railroad, in all, about thirteen years. Before severing his relations with them he was cashier and head station accountant, in charge of all the station accounts for freight in the Memphis district. While with the railroad he established a record for the accuracy of his accounts, which was a record for their entire system.

After leaving the railroad about eleven years ago, he went with the John Gerber Company as head book-keeper. His promotions with the Gerber Company have been very rapid; he served as credit manager there, and then as Office Manager, and for the past two years as Secretary and Treasurer and is a stockholder. The Gerber Company is one of Memphis' most progressive department stores and enjoy a very handsome volume of business.

In May, 1918, Mr. Lawo was the prime mover in organizing the retail credit men's local association for

Memphis, and was the first president of this organization, which office he still holds. The Memphis association has had for the past three years the largest membership of any local association in the entire country, credit for which is chiefly due to Mr. Lawo, owing to his wonderful ability and untiring energy.

He is unmarried and lives with his mother. He has three brothers living in Memphis, all of whom are very prominent business men, all three being in the coal business. He also has a married sister living in Chattanooga. He is an amateur musician of much prominence and was at one time the President of the Philharmonic Orchestral Association, which was the largest and best in the south at that time. He served for a number of years as President of the local chapter of the Y. M. I. He also served as Grand President of this same organization. He is a very active member of the Memphis Chamber of Commerce, which, by the way, is also the largest organization of its kind in the entire south and third in the United States, and has been nominated on numerous occasions to run as an officer or director in this organization, but has never allowed his name to be voted on because his credit interests for the past few years having been so great he did not feel that he should share them with other interests.

There is no man in Memphis more highly regarded for his business or social qualifications.

FROM ROCHESTER, N. Y.

ON Friday, the 13th, a man who gave his name as Fred Calyer, of 647 Market Ave., Newark, N. J., came into our clothing department and said he had purchased four hundred dollars' worth of clothing from your Warren St. store. He said he had phoned your Mr. Moore, of that store, in regard to its not being shipped on time, and that Mr. Moore advised him to come into the McFarlin Clothing Company and see if he could be fitted out. If not, he advised the man to wire, and said he would send a man on to Rochester with his outfit.

The man's story further goes on that he was to be married at six-thirty Friday night, and that he wanted a frock coat and vest, with which we fitted him. He was to call for it at five-thirty, but it was raining at that time, and he phoned to have it sent to the Powers Hotel. We sent one of our men there with the package, and he accepted a check on the Citizens' National Bank of Newark, N. J.

When the salesman came back to the store, we suspected that this was a put-up game, and wired Newark at once. We found out that there is no such bank there.

We are sending you a description of the man so that you may send it to other Rogers Peet agencies throughout the country, as this fellow will probably operate in other places, as he has his story down to a fine point.

Description: Fred Calyer, 647 Market Ave., Newark, N. J.; Age 35 or 36 years, height 5 feet 7 inches, smooth face, dark brown hair, sailor straw hat; wore a blue suit in the store, medium gray suit in the hotel; wore glasses in the hotel, was without glasses in the store; carried an 18-inch black club bag with two initials of fine quality; had plenty of money; speaks with an English accent.

This man is very well educated, has clothing of the finest quality, and is familiar with New York City, and the clothing business.

FROM SCHENECTADY, N. Y.

WE were notified today by the Union National Bank that they were in receipt of a check for \$16.50 drawn to the order of W. Walter, and signed The Wallace Company. The check was cashed by the Barnes Hotel of Amsterdam. The counter check used was one of the special interest department on which the words "On presentation of pass book" were printed, and the one who drew the check wrote No. 412.

The Barnes Hotel was, of course, exceedingly careless in cashing such a check as this, for the reason that if it had been valid the bank would not have cashed it without the pass book accompanying it.

Whoever drew the check was not familiar with the co-operate name of The Wallace Company—which is The Consolidated Dry Goods Company—the Wallace Company being the name of the Schenectady store.

MUSKOGEE CATCHES ONE

J. B. WARMACK (home talent) worked this city the past week, putting out a number of bogus checks for \$51.50 each on various out-of-town banks. Subject was arrested and is now out on \$500 bond.

It developed after his arrest that he had been a salesman for one of our local wholesale houses and had over \$500 on deposit in one of our local banks.

The checks have all been made good, but the county attorney insists upon prosecuting him, and one member is going ahead with the prosecuting.

WARNING FROM MUSKOGEE, OKLA.

ONE, D. F. Hearst, formerly a salesman for the Ellett-Kendall Shoe Co. of Kansas City, gave some of our members a number of "No Account" checks for \$30.98, drawn on the First National Bank of Ada, Okla.

His scheme was to walk into the stores and pretend to want to sell them a bill of shoes, telling that he had just sold their competitors, but he notices some merchandise that he fancies, and makes purchases getting merchandise and change.

He is described as weighing about 135 to 140 pounds, stocky build and light complexion. He gave address as 514 Grand Ave., Kansas City, Mo. Ellett-Kendall Shoe Co., in answer to our wire, say that he is no longer with them and his present whereabouts are unknown.

CHECK WARNING FROM LOS ANGELES, CAL.

IT has been reported to this office that a man named G. A. Gono issued a check on the National Bank of Commerce, Houston, Texas, for \$300.00, in his own name and had it endorsed by Mr. Schmader, and upon which endorsement it was cashed.

The check was returned, "No Funds," and the man cannot be located. He was recently married, his father-in-law is W. T. Treleaven, 1814 Stock Exchange, Kansas City, Mo.

IMPORTANT—FROM NEW YORK

ROBERT BLOOMSTOCK, no address, opens new accounts in banks, and deposits cheques drawn on First National Bank, Atlanta, Ga., drawn by him. No such bank there. Opened account here with Bankers' Trust Company, also Corn Exchange Bank, Audubon branch. Has cheque books from both banks. Description: Tall, dark, about 20 years of age. Wanted here.

RAYMOND E. BALLARD, passing worthless cheques from Richmond, Va., uses cheques of First National Bank of that city. Description: 20 years of age, 5 feet 5 inches, slender build, clean shaven, freckled face, sandy hair; operated in Boston; apprehended here, but could not hold. Under surveillance of Pinkerton Agency.

F. L. BACON WANTED

THE National office would like to locate F. L. Bacon, an ex-Captain, U. S. A., formerly Seattle, Wash. Engaged in newspaper business; also at one time in St. Paul and Los Angeles. Anyone knowing Capt. Bacon please notify D. J. Woodlock, 610 Equitable Bldg., St. Louis.

FROM DENVER—WARNING

LOOK OUT for Cashiers' Checks on the Citizens Bank of Haynesville, Haynesville, La., being passed by man described as 35 years of age, height 5 feet 9 inches, weight about 185 pounds, ruddy complexion, black hair, dark suit, soft shirt, soft fedora hat; carries American Legion card. He uses name of D. W. Pearson. Checks are signed C. B. Miller, Assistant Cashier. We understand cashier checks were stolen from the printer. Burlew Detective Service, Denver; also National office.

THE Denver police are looking for a young man using the name or alias of F. J. Hicks, who seems to be selling Gillette, auto strop, ever ready, and Enders safety razors and blades. Be on the lookout for him, and wire the Burlew Detective Service, Denver; also Chief Armstrong, of the Denver police department.

A LETTER FROM OUR NEW PRESIDENT

To Our Members:

HE Detroit Convention was an inspiration. In interest, enthusiasm and accomplishments it established a mark that those to follow will find it difficult to attain.

The record attendance, made possible by the wonderful increase in membership, may be taken as evidence of the growing interest of our members in the affairs of the Association, and their realization of the countless benefits and broadening influences that the Conventions afford.

The Detroit Association was a most excellent host. The warmth of the hospitality of its members and of the people of Detroit will long be remembered.

To the dignity, grace and general ability of Colonel Blackstone as a presiding officer is, no doubt, largely due the almost 100 per cent attendance of the delegates at every session of the Convention and the interest shown in the proceedings.

The manner in which the amendment to the by-laws, increasing the dues 67 per cent was passed, stands out with predominating significance. The delegates representing every section of the country voted unanimously in favor of this amendment. Could there be a better criterion of the value of membership in our Association?

The will of the majority was accepted in every case with a spirit of co-operation that was worthy of credit men, and in a manner that augers well for our future growth and harmony of action.

NOW FOR THE COMING YEAR!

It starts under most favorable auspices.

Enthusiasm was never greater—prospects were never brighter.

The re-election of Mr. Woodlock, our efficient Executive Secretary, will be the source of gratification to our entire membership.

No President of our Association was ever supported by a more capable, hard-working group of men than are your present officers and directors.

But there are only twenty of them, and work is to be done in every City in the country.

Therefore, much assistance is needed from you.

If a committee appointment is offered you, accept it, if possible, and work.

We have ambitions for great accomplishments this year.

Our financial problem is apparently solved, and we are now better prepared to give service.

Toward this end the plans of the Committees on Credit Department Methods, Legislation, Research, Credit Literature, and others, will be quite comprehensive, and their successful consummation will mean much to the future of our Association. Details of the Committees' plans will be given in a later issue.

But after all, "the success of this Association depends upon the individual members of this Association."

May we depend upon you to do your share?

Yours very sincerely,

G. A. LAWY, President.

PROCEEDINGS OF THE EIGHTH ANNUAL CONVENTION

RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

DETROIT—AUGUST 10-14, 1920

TUESDAY MORNING SESSION (AUGUST 10)

The Eighth Annual Convention of the Retail Credit Men's National Association was called to order at ten o'clock Tuesday morning, August Tenth, in the Hotel Statler, Detroit, by President Franklin Blackstone.

PRESIDENT BLACKSTONE: Ladies and Gentlemen: The Eighth Annual Convention of the Retail Credit Men's National Association will now come to order. (Applause.) The first thing on the program is the old fashioned stunt, "Get Acquainted." In order to do this in the manner of previous conventions, I ask each of you to rise and become acquainted in any manner that you choose with everyone on your right, left, front and rear. Two minutes for getting acquainted.

The attention of the Directors is invited to the fact that seats have been provided for them at the desk in front of the assembly. Directors are requested to make use of these reservations. Reservations are the proper thing just now in the opinion of some, and we have them ready for the Directors.

The first thing, and the proper thing, is an invocation to Almighty God for His blessing upon this convention. It affords me more than ordinary pleasure to introduce Rev. M. S. Rice, of Detroit. Dr. Rice.

DR. M. S. RICE (Detroit): Offered prayer.

PRESIDENT BLACKSTONE: In the temporary absence of the J. L. Hudson Quartette, the singing of the National Anthem will be under the direction of Mr. Shirk, of the Oklahoma City delegation.

Star Spangled Banner sung by audience.

PRESIDENT BLACKSTONE: It is my misfortune to announce that His Honor, the Mayor of Detroit, whom we fully anticipated would favor this convention with an address of welcome, is ill and unable to attend. He has, however, as you would expect from a man of the national reputation of Mayor Couzens, of Detroit, delegated one of the most prominent men in the city of Detroit to represent him. It therefore becomes my pleasant duty to introduce to you the Hon. James H. Lee, City Attorney of Detroit. Mr. Lee.

(Applause from audience, standing.)

MR. LEE (Detroit): Mr. President, Ladies and Gentlemen, Delegates to the 8th Annual Convention of the Retail Credit Men's Association: I am laboring under somewhat of a difficulty this morning as you are cognizant of the fact of a certain feeling of disappointment because his Honor, the Mayor, cannot be here to welcome you in person. The Mayor of the city of Detroit has, as your Chairman has stated, achieved national reputation and his reputation is not based upon the fact that he is Mayor of the City of Detroit, but because of his standing in the business world.

As many of you folks know, he was one of the pioneers of the Ford Automobile industry and as such has achieved world-wide fame and particularly in the line in which these delegates are so interested and identified—the building up of sales organizations, the building up of credit organizations, the Mayor has achieved a position in the business world independent of the fame and renown that has come to him from political office, so I say, my friends, I regret his inability to be present and it is somewhat of an embarrassment for me to be called upon to take his place.

You know, they tell the story that in the United States Senate about fifteen or twenty years ago there was a man from the state of Virginia by the name of Daniels, Senator Daniels. He was an ex-Confederate officer; he had been a man who served his state in political life for a great many years; he had been a member of the United States Senate for several terms and a man of wonderful learning; the author of "Daniels' on Sales," the celebrated textbook of the lawyers; a man of wonderful scholarly attainments and an orator of the first class, and whenever he arose to address the Senate of the United States, it was a field day for all those who delighted in hearing a man such as he talk.

And I remember reading a statement on one occasion of where one of the members of the Senate from the Far Western states, a man who had none of the grace or the learning of Senator Daniels, but who had, I presume, come to the Senate via the purchase route of the Legislature, after having heard Senator Daniels deliver his address upon a subject under consideration arose to make a reply and his introductory words were, "How hard, indeed, it is to follow a king!"

My friends, it is hard for me to act as a substitute for the Mayor of the City of Detroit on an occasion like this, but unfortunately he is ill and can't be here and we would feel that if we had committed a fatal error, a social error, if you please, to permit you ladies and gentlemen to come so far to attend this convention did we not attempt to welcome you officially.

It was my privilege last night to represent the Mayor before another convention meeting in this building, one of the most remarkable gatherings I have ever witnessed. I refer to the convention of the deaf that is being held in the room to the side here. My friends, when I went before that convention it was more or less with a feeling of—well, I don't know how to express it, a feeling that the dumb—you know how you feel about that ordinarily, you know how the fellow in the street talks about that, and I came away possessed with the most profound admiration and respect for what those remarkable people next door are doing, to think that you can go in there and see people who are graduates of colleges, universities and trade schools, engaged in all walks of life. They tell me they have a man there from Duluth who is one of the most successful bankers of his state, a man afflicted in that respect, deaf and dumb!

I came away with profound admiration and with a realization of what shame it is upon us, possessed of all our faculties, if we don't make headway in life when you see those poor unfortunate getting ahead the way they are. (Applause.)

And speaking about the dumb or the deaf mute, I have often times run up against the average credit man and I'll say he is some dummy! (Laughter.)

PRESIDENT BLACKSTONE: You say the average credit man?

MR. LEE: Every one of them! (Laughter.) Ladies and gentlemen, we welcome you officially to the City of Detroit. You know, I saw Cleveland march in with its 100 per cent sign. Why, Cleveland for years took the position that it was the Queen City of the Lakes, didn't it? And as I read the Federal census, we are the port city of the Lakes, not Cleveland!

Then, we have the boosters from Oklahoma City, and I see Minneapolis and all these other delegations of all the cities of this country represented and we are proud to have you with us because we in Detroit are the fourth city in America. Just think of it, ladies and gentlemen! Oklahoma boasts of 95,000; Cleveland boasts, I think, 700,000; we boast of a million.

We are foremost in some of the leading industries in the world—first, automobiles; second, stoves; third, pharmaceutical products. I could go on and on and tell you how we excel every other city in the United States, as far as that is concerned, but we don't like to brag in front of our visitors. (Laughter.)

We've got some mighty interesting things here in Detroit, some fine things, the most beautiful women and the most hospitable men. There's no question about that, and unless we refused to hide our light under a bushel, some of these smaller cities like Cleveland and Toledo and Oklahoma would begin to think that they were some pumpkins!

We are the Queen City of the Inland Seas and I don't want any of you fellows to forget it!

Ladies and gentlemen, it affords me great pleasure to welcome you officially to the City of Detroit. You know, in the olden times when they had the walled city, when the delegates came from afar, when the celebrated visitor or tourist came to visit the walled city, the burgomaster or mayor or some official would approach the gates, hand to the visiting delegates an address of welcome and the keys to the city. Figuratively speaking, I extend to you ladies and gentlemen today the keys to the City of Detroit. We welcome you in our midst, we want you to see some of our enterprise, we want you to participate in some of our hospitality and I am profoundly regretful that His Honor, the Mayor, could not do it in person. I trust my substitution for this action on his part will be received with welcome by you.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: It is a real pleasure to listen to an address of that kind. My only regret is that it is not a part of my duty as the presiding officer of this convention to make a short response to Senator Lee. He made some statements that are very admirable and especially the one relating to the credit man. (Laughter.)

I am happy to say, however, and to note that he did not refer to the retail credit man. He merely generalized.

The response to the address of welcome and the proffer of the keys to the cel-er-city will be made by one of our representatives from south of the Mason and Dixon line and I call your attention to the fact that the name of the gentleman who substituted for His Honor, the Mayor of Detroit, bore another Southern name, the name of Lee. (Applause from Southerners present.)

There is a great simile in that particular fact, for to an ordinary Northerner to hear a man named Lee extol the virtues of a great northern city in the manner that we heard Detroit boasted of, is indeed something exceptional.

However, you will now have an opportunity to listen to one of the famous orators of the Southland and what he will say to you will come from the heart because he represents the association that last year was known as the Peerless City of the Retail Credit Men's National Association and this year still remains in a very exalted position.

I introduce to you Mr. Charles M. Bryan, of Memphis. (Very hearty applause.)

MR. BRYAN (Memphis): Mr. President, Ladies and Gentlemen: I am mighty sorry that Mayor Couzens isn't here. We miss him, but he don't know what he misses. I have always believed in Scripture and I believe, therefore, that Jonah was swallowed by the whale and that man was really made out of dirt, and having tasted of the dirt of Michigan for more than once as I writhed in the arms of a brawny and avenging

halfback on opposing teams, I know that the Michigan men were made out of just the same ordinary kind of dirt that everybody else was. (Laughter.)

Some twenty years ago I used to pound the typewriter in a newspaper office and convert an ordinary fire in an ash barrel into a glittering, glaring conflagration, and a love affair of the butcher's daughter with the ice man into a scandal in high society, and in those days and times it used to be my privilege and pleasure to listen to addresses of welcome from mayor after mayor and I made up my mind then that if I ever got a chance back at 'em, there were a lot of things I was going to say to 'em. (Laughter.)

So I prepared a beautiful speech. I had quotations in Latin and Greek, the dead languages, and then I had some jokes that were nearly as dead to go into the speech and it was all rolled up and was going to stalk forward like a real funeral cortège in the eyes of that mayor and make him realize he didn't have any right to bring in any No. 2 or No. 3 speech on an organization like this. Why, we used to just telephone up to the newspaper office, "The mayor has turned loose speech No. 1," or speech No. 2 or No. 3. (Laughter and applause.)

You know, I am exactly in the same condition that the little boy was at the picnic and the Sunday School teacher came around and said, "Willie, do eat some more of the jam," and he said, "No, thank you, teacher, I've worked where they made it!" (Laughter.)

And so, I am embarrassed this morning. Full as I was of enlightening lessons for the mayor, he didn't show up.

Now, I do believe that this idea of the delegates coming forward and telling the people here how glad they are to be here right in the middle of things before we have looked them over is not exactly a good idea, and as I intended to enlighten Mayor Couzens, I came up a day ahead of time to find out what was going on. They talk about this place being such a large city. It is. It's not my first visit to Detroit, and I found the last time I was here that Detroit was full of foreigners and I had difficulty in making myself understood until I realized that there was one universal sign (snaps fingers and holds up two) and I got by every time. (Laughter.) But they've taken that away from me and my mode of conversation is limited.

So I came up here a day ahead of time to look things over because this was going to be a real experience speech, and I saw two men down there in the lobby of the hotel and I saw one of them kind of wiggle at the other one this way (gives impression of deaf mute language) and I said, "Ah, I'm gettin' on! I'm gettin' on!" and I went over and edged in and I saw the men walk on off and leave me and I said, "All right, I've got that sized up all right; I'll put that down."

Then a real good-looking girl began to do this (makes deaf mute sign) and I walked over there and I tell you, when they say they're deaf, they're dead wrong! The way she bawled me out was something awful! (Laughter.)

This whole thing is all fixed up wrong. They gave me a pamphlet of information. Well, that pamphlet doesn't contain any more information that the ladies and gentlemen of this convention want than Webster's Dictionary does. I read it from beginning to end and it doesn't tell you how to get to Windsor (laughter and applause) and one of the ladies in my party told me she read it twice and didn't yet know whether Ty Cobb was married and had a family.

Now, that's all wrong. We've got to change that, we've got to put it in shape where we can get what we want to know. I don't believe that they are really glad to see us. I am just like a little boy was who went out to visit his aunt, and he came up to his mother and said, "Mamma, is Aunt Lizzie glad to see us?"

She said, "Yes, Johnny, she certainly is."

"Mama, if she's so glad to see us, why did she turn the bulldog loose in the orchard and

carry the pantry key on a string around her belt?" (Laughter.) And why, I ask you, is it that the fare to Windsor has been raised since I was here before? (Laughter.) If Mayor Couzens were here, I know we'd all rise up in one solid body and in one long drawn out chorus we'd ask, "Why?"

Now, we are glad to be here. How glad we are going to depend on certain various things. Other people have got the idea. We used to be content with ordinary 4% and Cleveland comes in with a banner, 100%. That's what I call real progress. What do we do? Why, the Oklahoma fellows decide they've got something with a kick in it and they've all brought baseball bats. There's nothing in the world like the inventive genius of a credit man. Any man that can invent as many lies as we do to tell a good-looking woman why she isn't entitled to credit doesn't need to be worried by the absence of mayors and this ferry fare!

So I say, let's have a good time in spite of all the handicaps they have imposed on us. Let's show them that credit men are a credit to themselves and a credit to any place that they may come to.

Just one more word about this seas business that our friend Lee told us about. I want to say that when he said Detroit was long on the seas, he was right, because you just try it yourself. I have been down there and checked a two-dollar hat five times already and the girl insists on giving me back the same hat, so I've got no chance to get even. Talk about seas—if there's anything they don't seize here, it's absolutely unknown.

Now, another thing about Detroit—I believe in praising the people that entertain us. He told about how they have the big automobile factories and the largest pharmaceutical factory in the world. That is quite right. A city that is turning out 10,000 Ford automobiles every year is bound to make some sort of anesthetic. (Great laughter and applause.) It just shows you the wonderful power and the keen intellect of the Queen of the Seas.

Now, gentlemen, having given you (and the ladies) these few serious remarks, I wish to say that we are glad to have somebody come along and tell us that the city is ours. I want you to remember he is supposed to mean that, so when anybody comes up to you to tell you to move on, you tell him you don't move on off your own property and the city has been given to you and you're going to proceed to use it.

Let's use it in the way that the credit men and credit ladies always do; let's show by the manhood of our men that we've got the best men in our particular town that there are in the world; let's show by the looks of our ladies that as a matter of fact God had to practice on the angels before he made the women that we brought with us. (Great laughter and applause.)

I thank you.

PRESIDENT BLACKSTONE: After listening to these wonderful bursts of oratory and solemn wisdom, we will now come to the real essence of welcome. It will be made to us by a retail credit man representing what we might call the great progressive city of Detroit, Mr. E. B. Schick, general chairman of the Detroit Convention Committee. Mr. Schick. (Applause.)

MR. SCHICK (Detroit): Mr. President, Friends: I don't think I can live up to the reputation the chairman has just given me as a speaker.

The first convention of Retail Credit Men that I ever attended was in Cleveland in 1917. At that time I did not think it was possible that I would be given the honor of welcoming you to Detroit in 1920, as we had not an organization in Detroit at that time.

I sincerely hope that you will have a good time at this convention and as I was not selected to make a long speech but to welcome you in the name of the Associated Retail Credit Men of Detroit, I therefore do so and sincerely hope that this convention will be the most pleasant and profitable convention you have ever attended.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: I am very glad to say that that isn't all you will hear from Mr. Schick during this convention for the very excellent reason that his name appears on the program at the end of every session, at which particular time he will announce to you the coming events for the entertainment of the visiting delegates to the city.

It affords me pleasure now to introduce to you your old friends whom you have met before, the J. L. Hudson Company Quartette.

The Quartette is received with great enthusiasm by the audience, and respond to calls for several encores.

In accordance with the usual custom, the appointment of the following committees is announced:

Committee on Audit:

W. D. Morris, chairman, Clinton, Iowa.
Alfred C. Morrow, Fall River, Mass.
Harry Weiss, Lancaster, Pa.

Committee on Credentials:

Wm. H. Gray, Cleveland, chairman.
W. B. McConnell, Pittsburgh.
J. C. Auerbach, New York.
Gabe Hausman, New Orleans, La.
Arthur Peterson, St. Paul, Minn.
C. M. Borland, St. Louis, Mo.
R. K. Chapman, Cincinnati, O.
C. M. Bryan, Memphis, Tenn.

Committee on Resolutions:

Chas. J. Nagle, Minneapolis, Minn.
W. B. Kuhn, Nashville.
Hi Schuler, St. Joseph, Mo.
S. Lapinsky, Asheville, N. C.
Stephen H. Talks, Washington, D. C.
J. A. Smith, New Orleans.
C. C. Wichel, San Antonio.

Pursuant to a motion adopted at a meeting of the Board of Directors held yesterday, the President announces the appointment of a committee for nomination of officers and directors to consist of the following members:

Past President S. E. Blandford, chairman, Boston.

Past President Wm. H. J. Taylor, New York City, vice-chairman.
J. W. Lewis, Los Angeles.
E. B. Heller, St. Louis.
F. A. Caten, Pittsburgh.
C. W. Lockard, Seattle.
J. W. Hewitt, Baltimore.
A. D. McMullen, Oklahoma City.
S. L. Gilfillan, Minneapolis.
P. M. Canale, Memphis.
G. L. Matthias, Detroit.
W. E. Hooper, Birmingham.
L. S. Crowder, Chicago.

The President announces that additional nominations may be made from the floor of the convention at the time scheduled in the program. He also requests the delegates who desire to secure the entry of the name of any members on the list of nominations to report them to the committee or to any member of the committee.

There has always been considerable discussion pro and con among members of the association as to the advisability of a nominating committee when it is not, as some claim, properly authorized by the Constitution and By-Laws of this association. In accordance with my ideas on the subject, I present to you the action of the board of directors and if it is consistent with the sense of this convention, I ask for a motion from the floor from some other person than a director for the approval of this action.

Mr. Radway of Boston makes such motion, which is seconded and carried without discussion. A rising vote was taken to show that only a few persons opposed the motion. (Applause.)

Now ladies and gentlemen, please don't misconstrue my action in bringing this matter before this convention. I am a very firm believer in the great prerogative of the American people, the prerogative of freedom and of liberty of action, but there are times in the past in this association, as I have been told, when unauthor-

ized committees proceeded to make schedules without authorization either of the By-Laws or of the convention and I wish to assure you that during the few remaining days which it will be my pleasure to serve you in the capacity of president, that every member of this association will get a square deal in accordance with the proper idea of right and justice.

When we come to the proper time on this program, nominations for officers will be permitted from the floor. I believe that is fair and just. Anyone who doesn't coincide with me now has the privilege of the floor to debate the question. Hearing none, we will proceed.

It is appropriate for me, as your presiding officer, to announce to you the receipt of a telegram from Director D. M. Strauss, St. Louis, reading as follows:

"My best wishes for a most successful meeting. Tell the boys I'm with them in spirit. Hope to see you all next year."

You all understand that National Director Strauss is very ill.

I am also in receipt of a telegram from Past President H. Victor Wright in which he regrets his inability to be present at this convention and has requested me in answer to a communication that I sent him to have his paper on the subject of "Short Talks by Past President" read by Mr. Lewis of Los Angeles, and I will present Mr. Lewis at the proper time.

I also have a telegram of regret from former Director J. A. Fetterly of Milwaukee.

The next thing on the program is the report of the President. There has been a man in this association who has been most prominent in all convention work, and I am going to ask Mr. A. J. Kruse, former secretary of this association, to read my report to the convention. Mr. Kruse. (Applause.)

Mr. Kruse reads report of President Blackstone, which is in printed form.

THE RETAIL CREDIT MEN'S NATIONAL ASSOCIATION

August 4, 1920.

To the Members of the Retail Credit Men's National Association, In Convention Assembled.

GREETING:

1—This fiscal year of your Association has been one of consistent progress.

In the upbuilding of any national organization it is a recognized factor that stability of development is of supreme importance. Our achievements of the past year can be properly placed in that classification and defined as a continuation of the spirit of local and national co-operation that is the foundation on which our Association is built.

The history of our endeavor is written in the report of our Executive Secretary, to whose other duties rightfully belongs that of Association historian.

2—The approved recommendations of your former Presidents have been constantly in mind, although some of them have not yet become operative for various reasons, the principal one being that of finance.

This Association is under-financed. Insofar as I can learn it has been under-financed ever since it was organized. It has been attempting to give each member a thousand dollar service for three dollars a year. Efforts of this kind may be praiseworthy and Utopian, but they are ephemeral; real lasting service can be done only on a sound financial basis and it is now time that this should be accomplished.

The vision of national service should not be constantly obscured by a false standard of finance.

On this subject there will be a report from our Committee on Constitution and By-Laws that should re-

ceive the support of every member of our Association who has made any attempt to understand the almost unlimited possibilities that now lie just beyond our reach—always just beyond us on the horizon of the future because we are an improperly financed organization. To my mind, nothing could be more incongruous than a Retail Credit Men's Association that cannot attain its objectives by reason of insufficient—or should I say inefficient—financial income.

It is preferable that this Association be limited to a membership that has the courage to properly finance it than that it should consist of thousands of members who deplore the expenditure of the few additional dollars, from each member, that will make possible the vision and recommendations of your past presidents, officers, directors and of some of yourselves.

Having mentioned the Committee on Constitution and By-Laws it is right that I should report that when this Committee was appointed it was not my intention to have it present many radical changes therein to this Convention, but a careful study indicated that it would be preferable to submit ideas of a progressive character now and thus pave the way for future advancement. When I stated my later ideas to the chairman, Second Vice-President Mr. E. W. Nelson, he not only agreed with me but began an intensive campaign that will only end when you approve, or disapprove, the amendments and alterations that he has prepared for submission to this Convention.

In mentioning Mr. Nelson, one instantly thinks of the wonderful work that he has done in connection with the Fraudulent Bank Check Committee, not only during the current year but previously thereto. The great plan that he has given to our Association has been only partially adopted and put into active operation. The delay has been caused by that same bugaboo, the lack of money.

The thanks of this Association are due to Mr. Nelson and I expect that more glory will be added to his fame when our Group Luncheon Conferences are the success that is anticipated.

It may appear to you as though your President had given him more work to do than should be delegated to any one man, but in justice to us both I report that when work was to be done and others were busy, Mr. Nelson undertook the task and its success was then assured. It has been my experience that it is wise to select busy men for big tasks.

It is a pleasure to express to you, and hereby to him, both my personal and official thanks for his exceptional devotion to the welfare of our Association and the work that he has done to make my administration as President a success.

3—I wish at this time, to also express my sincere appreciation of the co-operation that I have received from our members, and especially from those Chairmen of Committees who were in constant communication with me and who have labored assiduously for successful attainment of the objects for which their committees were appointed and for which this Association was founded. It is my privilege to mention particularly Mr. Poindexter, Chairman of the Committee on Credit Literature, who has prepared a masterpiece of statistical references and credit information in the report that he will make and in the exhibit that he superintends for our credit education. I also mention Mr. Taylor, Mr. Price, Mr. Ahl, Mr. Heller and Mr. Jackson, all of whom are ready to give to you the ideas that they have developed after months of work, study, correspondence and expense, so that the objects of our National Association should be advanced in proportion to the yearly requirement.

4—I recommend to you the most excellent work of our Executive Secretary, Mr. Woodlock, who has overcome many seemingly insurmountable obstacles and is giving real credit service of the highest standard, compatible with our financial status.

The official relations between us have been of the most cordial character and I have approved of the policies that he has inaugurated in the organizing and maintaining of our National Headquarters and also of his present system of administering the affairs of his office.

The installation of service systems therein and their upbuilding is of more importance than the admission of many members, if there should exist thereby a neglect to serve those who are already enrolled.



COL. FRANKLIN BLACKSTONE
Past President
PITTSBURGH, PA.

During the year, our membership increase and the number of new local associations affiliating with us has been consistently satisfactory. Mr. Woodlock will quote the facts and figures in his report.

I wish to hereby publicly thank Mr. Woodlock for the careful attention and courteous consideration that he has given to my correspondence, notions, criticisms, ideas, suggestions and recommendations. Our correspondence has been more voluminous than you could imagine and there have been many problems of stupendous importance successfully consummated through the cheerful and cordial relationship existing between us.

I unhesitatingly state it as my opinion that I know of no one who could have accomplished more, in the same period of time and under similar financial conditions, than has been done by Mr. Woodlock.

The severance of administration ties with this Association co-worker will be one thing that I will most surely miss during the coming years. Every mail delivery brought letters from Mr. Woodlock (and others) and nearly every one contained a return reply.

The officers of the Joseph Horne Co. have been exceptionally cordial and helpful in permitting me to devote so much time to the interests of this National Association, as well as to the military service of the State.

5—It has been my opinion that the establishment of a National Headquarters, under the direct management of an Executive Secretary, made it unnecessary for your President to devote as much time to travel and

organizing work as was done in several previous administrative terms. Accordingly, I merely visited those cities that desired my attendance or to where I was called on official business; these included New York City, Baltimore, Washington, St. Louis, Chicago, Youngstown, Harrisburg and Philadelphia.

It was a matter of keen regret to me to have to decline an invitation from Mr. J. W. Lewis, President of the Associated Retail Credit Men of Los Angeles, to attend a State Conference of Retail Credit Men of California in May, 1920, a month in which it was impracticable for me to be absent from my office for the time necessary for an official visit of that character. This declination was all the more regrettable for the reason that this was the first State Conference of Retail Credit Men ever held and I would have enjoyed being present at such an historical event in the retail credit field.

6—It may be appropriate for me to present to you the following recommendations:

First: That the dues of all members of the Retail Credit Men's National Association be not less than Five Dollars per year (preferably Six Dollars).

Second: That the recommendation of Mr. Blandford, as contained in his report of 1919, regarding Regional Conferences be concurred in and that our National Officers be instructed to help, aid and assist local associations in conducting such conferences in states or regions wherein the membership in our Association would justify them in doing so, either for the purpose of retail credit education, co-operation or for securing new members.

Third: That the Executive Secretary edit in the *Credit World* one or more pages devoted to statistical information relating to retail credit conditions and collections. I will cause to be submitted a plan for this development at the proper time in the program of this Convention. This subject has already been considered by many of our members and has met with a most favorable reception. It is conceded by many merchants and credit men that the publication of such statistics would give the *Credit World* a reputation and a statistical standing compatible with the objects of our Association and be of great service to our entire membership.

Fourth: That the Executive Committee, for 1920-21, be directed to confer with the President and proper officers of the National Retail Dry Goods Association, before October 30, 1920, for the purpose of establishing co-operation or affiliation in all matters relating to retail credit. This recommendation is made for the reason that a recent article in *Women's Wear* stated that it is the intention of the Field Secretary of that Association to organize and affiliate with it State and local Retail Credit Associations. If such is his intention there may eventually develop a situation to the disadvantage of both Associations and to the retail trade.

Fifth: That the Board of Directors be authorized to employ an assistant to the Executive Secretary whose duties shall be to assist him as National Membership Chairman, Field Membership Secretary, Editor of the *Credit World* or in such matters as may be delegated to him by the Executive Secretary.

Sixth: That local associations (that have not already done so) should perfect an arrangement with the police department of their respective cities whereby all bulletins relating to fraudulent bank checks would be exchanged between them and also such other things of a fraudulent character as may affect the retail credit conditions in their cities.

Seventh. That the Legislative Committee be directed to devise ways and means to provide for the passage of a National Law to create in the Treasury Department of the United States a Bureau of Securities, its duty to be to investigate all new proposed stock corporations, partnerships and co-partnerships before sales of stock or interest holdings in them should be permitted to be offered to the public for sale. It should also provide that in all cases the amount of stock given to promoters, selling agents or others should be included in every letter, prospectus or communication relating to an attempted sale of stock and that such information should be included in financial statements of all such companies or partnerships for a period of ten years after its business activities shall commence. It is also recommended that when the Legislative Committee has prepared the plan that it confer with and secure the co-operation of the Committee on Closer Co-operation Between the Retail and Wholesale Credit Men's Associations and solicit the assistance of the National Association of (Wholesale) Credit Men in securing this proposed Legislation. The enactment of Legislation of this kind would prevent much fraudulent stock promotion and fraudulent stock selling and thus be of lasting benefit to retail credit conditions.

7—At the time of the reading of this report your Eighth Annual Convention will be in progress.

Your President and Secretary have devoted much time to the preparation of the program and have endeavored to confine it to subjects that will be creditorially instructive and reasonably entertaining.

I respectfully request the speakers to refrain from all remarks of a partisan political character.

8—Every delegate should participate in the deliberations of this Convention and thereby assist in making it an assembly that will be both personally and collectively beneficial.

Very sincerely yours,

FRANKLIN BLACKSTONE,
President.

PRESIDENT BLACKSTONE: I present to the convention First Vice-President G. A. Lawo, of Memphis, Tenn. (applause and cheers), who has served very faithfully as the lieutenant-colonel of the regiment. (Applause.)

MR. LAWO: Due to the modesty of our president, it becomes my duty to ask this convention what it desires to have done with the splendid report which has just been read.

MR. HELLER (St. Louis): I move that the report of the President be received and filed.

Motion seconded by Mr. Horton, of Nashville.

MR. LAWO: I know there is no discussion on the subject. Those in favor will say "Aye." It is so ordered.

PRESIDENT BLACKSTONE: I am going to interrupt the program for just a moment to ask Mr. Nelson to report the progress that has been made in the arrangements for group luncheons and conferences which are scheduled to begin today. Mr. Nelson, second vice-president of the association. (Applause.)

Mr. Nelson makes such announcements for information of delegates desiring to attend the luncheons.

The next order of business is the report of the Secretary, Mr. Woodlock. (Applause.)

(Secretary Woodlock reads report of Secretary, which is in printed form.)

REPORT OF THE EXECUTIVE SECRETARY

One year ago you selected me Executive Secretary, and commissioned me to open National Headquarters in St. Louis, therefore, immediately upon my return from the Convention I rented an office in the Equitable Building at St. Louis, and equipped same with furniture, desks, etc., so that our dream of the past has been realized and we have a National Office. I opened this office on September 1st, 1919, securing the service of a young woman who had been my stenographer for six years. On October 1st, I employed another stenographer who had also worked for me six years and this spring, because of the large amount of circular work we were doing I found it necessary to employ another young lady, so the office force at your National Headquarters consists of three young women and myself.

Recalling the advice of former Secretary Crowder that no work could be done on the road during the months of November, December and January, I devoted my time to getting our records in shape and listing prospects. I found many members growing lukewarm, because, of lack of service, particularly in cities where no Local Association existed. Many were in arrears for dues anywhere from three months to over a year, and after careful checking and letter writing our records showed that on October 1st we had 4,417 members in good standing.

As soon as the members realized we had a National Office they began to write for all kinds of information about Office and Accounting Systems, Collections, Form Letters, Skips, Bad Checks, Positions, Laws Governing Mortgaged property and other matters until we now receive and answer on an average 300 letters each week. We also send out 100 prospect letters or mailing cards each week, so the work of securing new members is constantly going on. I mention these things that you may understand what is being done at the National Office.

I have always been a believer in the possibilities of this Association, but, a year as Executive Secretary has broadened my vision and I am convinced this organization is destined to be one of the greatest Associations of Retail Merchants—Teaching Better Credits—Encouraging Prompt Payment and assisting the Credit Manager by giving him the benefit of the experience of others.

With the establishment of the National Office we take on new responsibility and become an important factor in the Retail Merchandising World. We open up an unlimited field for great work in assisting the Retailer who sells on credit to hold his losses to the minimum and to standardize and systematize his work. We must develop our National Office and our National Organization to that point when every Retail Merchant of the Country will look up to us as the authorities on matters of Retail Credit.

THE CREDIT WORLD

Believing our Magazine to be the "Tie That Binds" our membership we endeavor to increase its size and improve its appearance. It is not yet up to the standard we desire, but it is now more of a Magazine than formerly.

The increase in the cost of paper and printing, together with the number of additional copies required to cover our increased membership has run the cost of this Magazine from \$300.00 to \$400.00 per month to \$700.00 and \$1,000.00 per issue.

We have always had an idea the Magazine could be made self-sustaining by securing advertising, and the

National Secretary devoted much time to soliciting advertising from firms who used the pages of other Magazines. He was partly successful and believes the next year with our increased circulation we will have more success.

Several propositions have been made to give the publishing of the Credit World to some printer or advertising concern on a guarantee to publish without cost to us for the advertising privileges, but we have felt this would be allowing the publication to get away from us and it would lose our identity, therefore we have not taken up any of these propositions.



DAVID J. WOODLOCK
Secretary-Treasurer
St. Louis, Mo.

I am of the belief that the Credit World can be made a Magazine of great value to every Retail Merchant. It can be made a text book on Retail Credits, but it will take a little time to develop it to this point.

The matter of editing the Credit World is no small task and requires much of the time of your Executive Secretary. The selecting of proper articles, the reading of proof and the details connected with the mailing are matters that require constant attention, but with the National Office thoroughly organized, we feel that each succeeding copy will be an improvement on its predecessor.

During the year I received many worthy suggestions and council from Mr. E. B. Heller, Chairman of the Credit World Committee.

LOCAL ASSOCIATIONS

The Local Association is the Back Bone of this Organization, and we should do all in our power, not alone to encourage the forming of such locals, but help

develop them after they are formed. This can be done by suggesting subjects for discussion at the meetings and a system of interchange between the various locals so they may know what is being done in other cities. Texas and Oklahoma have the largest number of organized Local Associations.

It should be the endeavor of members living in cities where no Local Association exists to get the Credit Men together and properly organize, and the National Office should give every assistance toward such work.

I believe the National Association should provide a Charter to be issued to all locals.

During the year 27 locals were organized, bringing the total to 94, and at the present time there are 12 cities I feel sure will organize this fall.

It gives me much satisfaction to report the condition which existed in Omaha at the time of our last Convention has been adjusted. Through the efforts of Mr. J. W. Metcalfe all factions have merged into one organization, having the endorsement of the Associated Retailers of Omaha.

I am also pleased to report that Philadelphia has organized with 23 members and with this nucleus we hope it will become one of our great Associations.

In some locals it is customary to allow members to join the National or not as they see fit. This should be discouraged. The fact that an Association is recognized as a local indicates it is considered a branch of this body and each member should be a member of the National. This places every member on an equal footing, gives unity of thought, and support of the National movement.

During the year the Cleveland and St. Louis Local Associations changed their by-laws, so as to make each member of the local a National member. As a result Cleveland brought in 429 new members and St. Louis 300.

I would recommend Local Associations arrange their affairs so as to have their membership expire at one time and remit annually or semi-annually to the National Office. It would simplify the keeping of the records. In most Associations we have several memberships expiring each month, necessitating the sending of monthly bills and collecting by the local.

Memphis, Tennessee, still holds first place as the largest Local Association, having secured 239 new members and having a total of 681.

New York is second with 543, having secured 332 new members this year.

Cleveland, Ohio, is third, having 517 members. This city wins the Local Trophy for the greatest gain, having secured 429 new members.

St. Louis is fourth with a membership of 465, having secured 300 new members this year.

The work done by these locals in securing new members has been wonderful and the officers deserve the thanks of this Association for their untiring efforts to increase the membership.

STATE MEMBERSHIP CHAIRMEN

In October I visited Pittsburgh and conferred with President Blackstone regarding the appointment of State Membership Chairmen, and we were very fortunate in selecting real workers who devoted much time and energy to the work. In order to make the securing of new members interesting it was decided to offer Membership Trophies and so that the small States would have an equal chance to win, we divided the

United States into four classes, according to population and the number of Retail Stores.

Mr. Wm. H. Gray, State Chairman for Ohio, secured 586 new members and carried off the honor in Class "A," with Mr. Sig. Wolfert, of Missouri, second, and Mr. J. M. Connolly, of New York, third.

Mr. Dave Gaut, of Tennessee, captured first place in Class "B," securing 529 new members, with Mr. E. R. Suits, of Oklahoma, second, and Mr. C. J. Nagle, of Minnesota, third.

Mr. R. W. Watson, who was State Chairman for Washington and Oregon, captured first place in both Class "C" and "D." In Class "C" Mrs. T. H. Daly, of Nebraska, was second, and in Class "D" Mr. M. T. Coogan, of South Dakota, was second, with Mr. David Sanger, District of Columbia, third.

TRAVELING

Much money can be spent in traveling, and for that reason, also the fact that we are endeavoring to get our National Office thoroughly organized, I made only trips that I felt were absolutely necessary, although I had invitations to visit almost every section of the country.

I find the first visit to a city is usually missionary work and believe the best plan is to develop the organization by correspondence in some particular State or section and then make a trip covering that territory when the time is ripe to perfect the organization of a local. I also find an occasional visit to already established locals serves to enthuse the membership and with the National Office in working order I believe more time should be given to this work the coming year and suggest a plan be thought of whereby our Officers and Directors may visit the locals in their particular section of the country.

During the past year I visited New York, Philadelphia, Chicago, Detroit, Pittsburgh, Cleveland, Trenton, N. J., Baltimore, Nashville, St. Joseph, Mo., Kansas City, Omaha, Lincoln, Ft. Wayne and Lafayette, Ind.

On the trip to Omaha and Lincoln I was accompanied by National Director McMullen, of Oklahoma, who gave me very valuable assistance.

ROSTER

It is absolutely necessary that we prepare at once a Roster of our membership for distribution to each member. This to be arranged alphabetically by States and Cities, so when a member desires information from another city he may know whom to address. We have already prepared to issue this, but the membership was increasing so rapidly during the past two months we decided to withhold publication until September so as to get in as many new members as possible. The cost of arranging the list and printing will be about \$2000.00, so we made the suggestion that Local Associations purchase these Rosters for their membership at 25c each, and it met with general approval, thirty Local Associations agreeing to purchase two thousand copies.

STATISTICAL DEPARTMENT

I believe the time has arrived for the institution of a Statistical or Research Department in the National Office, where we can compile figures showing percentage of loss through Bad Accounts, Fraud Checks and Fraud buying in various lines of Retail business. This would not alone be interesting to members, but give us an idea of where the greatest loss was sustained and enable us to concentrate our efforts in that particular section.

The Department might also furnish to the members Collection Letters, Report Forms, etc., for which we have had a large number of requests.

POSITIONS

Another feature of our National Office during the past year has been the number of Credit Men and Women we have been able to place in positions. Some of these were members who were out of a position, others were those who desired to make a change, and we have on file at this time thirty-five applications for positions as Credit Men and Office Managers.

During the year we were directly responsible for six men and one woman being placed. This feature can be further developed when employers realize they can secure through us trained men.

LOCATING MISSING DEBTORS

The matter of locating missing debtors has developed to such a degree that it is now an important part of the National Office work. The number of names reported to us averages 600 per month and we have been able to locate about 12 per cent through the medium of listing these in the Credit World.

I believe, however, during the coming year we can increase the number located by giving more attention to this department. I would suggest a weekly list of all names reported to be sent to each Local Association, not waiting for the publishing of the Credit World.

It is necessary to keep all these names on file, arranged so that when located we can immediately tell who has made the inquiry and to simplify the work our members should be furnished with cards for the purpose of sending in these names, so there will be no duplication of work in listing the names.

This Department saves our members many dollars that would otherwise be lost.

MEMBERSHIP

The report of your Secretary last year showed a membership of 4,797. When we opened the National Office we found many of these were from six months to over a year in arrears for dues. In the ten months from October 1st to August 1st, we secured 3,684 new members and lost 433 by resignations, failure to pay dues, etc., making a net total of 8,048 members on August 1st, an increase of 67.7 per cent.

BUDGET

In the Budget covering next year's expenses I have included the purchase of two typewriters, a duplicating machine for producing form letters and a machine for making our own plates for the Addressograph. These additions to our office equipment are absolutely necessary, as we have rented two typewriters at a cost of \$9.00 per month during the past year, and the changes in addresses and new names for our Credit World mailing list must now be listed and sent to the Addressograph Company, which makes the plates and returns to us, before names are entered on our list. This requires much time and checking and would be simplified if we had our own plate making machine.

PUBLICITY

During the year we secured much publicity because of the fact that almost every State in the Union conducted a Membership Campaign and because of the large amount of advertising matter sent from the National Office.

This served to cause many inquiries as to who and what we were and I believe the fruits of such publicity are yet to get reaped.

STOLEN MONEY ORDERS

Through the effort of Mr. Michaels, of Pittsburgh, we have arranged with the Government to send us each month sufficient copies of the notices they issue concerning Stolen Money Orders and these are addressed and sent to our members.

BAD CHECK WORK

We were fortunate, indeed, in having as Chairman of this Department Vice-President Nelson, of Lincoln, Nebraska. Mr. Nelson is the human Dynamo of the Association. He has labored and worked on many themes during the past, but his greatest work was the developing of a plan to stop the Bad Check Passer. The details of this will be discussed in his report, but the work of carrying it out rests upon the National Office. I believe some plan should be arranged so that when a professional check artist is caught the National Office should be in position to prosecute, as it often happens members do not care for the publicity attached to such prosecution and furthermore by combining the claims of several victims it is possible to make a more satisfactory case.

FINANCES

During the past year we have talked much about finances and discussed ways and means to increase our revenue to meet the increased cost of maintenance caused by having a National Office and the great advance in Printing, Traveling, Clerk Hire, Rent, etc.

I hope you will not get the wrong impression about our financial conditions and if you will look over the attached balance sheet, you will find the Association is in better shape than at any time in its history. We borrowed \$2,000.00, and have repaid that, together with all other obligations, except an account of \$2,315.76 owing to the Printer of the Credit World, but when we closed the books on July 31st we had in the Midland National Bank \$1,021.18, and I have collected \$1,950.00 since closing. We thought best to carry this balance until after this meeting because of the necessity of having money wherewith to meet Convention expenses. So you can see we are not alone able to pay all our indebtedness, but have a tangible asset in the National Office equipment.

The only trouble with our financial affairs is one that dates back to the beginning of the organization, and is caused by the fact that we have always lived up to our income. As a result we have had no working capital with which to do many things we had planned. We have always spent the money paid for advance dues. For example, at this time we are owing \$11,066.00 to members for unexpired memberships, which, of course, is a liability, and the money for which should, in the strict sense, be in the treasury.

I mean by this that dues paid in during the past year have been spent to meet current expenses and we owe members service and Credit World for anywhere from one to twelve months.

It would not take much to get us on the right financial basis with a working capital, and I sincerely hope this can be done without an increase in the dues, which I am of the opinion would work a hardship upon the small dealer and cause us to lose many of them as members.

THE NATIONAL OFFICE

The National Office has come to pass. You have planted the seed, and, if properly nourished, it will eventually become the Central Control of a great system of Credit Exchange, linking together the Local Credit Men's Association of every city with a perfect system of reporting, so that it will be impossible for the professional "Dead Beat" to move from one town to another without his record being there in advance.

The Bad Check Artist will hesitate before he attempts to pass a check in a store where is displayed the emblem of this Association and the individual members will be stronger and better men with increased vision and broader minds, because of being in constant touch with fellow Credit Men in all parts of the country. The Credit World will be a National Magazine on Business Topics alone worth the membership fee. Advertisers will be seeking our pages in place of our seeking them. The Credit Man will have become an important factor in the Retailing of Merchandise.

I believe we have before us the greatest opportunity to broaden our minds and develop ourselves and by making better individual men become more valuable to our employers, eventually becoming a great force for good in the civic and commercial life of the land we live in.

I cannot close this report without commenting upon the wonderful support I have received from the Officers, Directors and State Chairmen. They were all ready and willing to answer any call I made and while President Blackstone always held the Guiding Hand, he was very candid in telling me the word "Executive" as prefix to the title of Secretary meant just what it said, and he expected me to handle all details. So if there is any criticism of the National Office it must rest upon my head, not on the President.

NUMBER OF MEMBERS IN EACH STATE

Alabama	135	Montana	15
Arizona	14	Nebraska	236
Arkansas	67	Nevada	2
California	320	New Jersey	91
Canada	2	New Mexico	1
Colorado	149	New York	623
Connecticut	11	North Carolina	16
Delaware	3	North Dakota	1
District of Columbia	42	Ohio	830
London, England	1	Oklahoma	374
Florida	11	Oregon	87
Georgia	24	Pennsylvania	376
Idaho	6	Rhode Island	8
Illinois	100	South Carolina	4
Indiana	169	South Dakota	28
Iowa	123	Tennessee	1,110
Kansas	120	Texas	455
Kentucky	95	Utah	9
Louisiana	67	Vermont	2
Maine	7	Virginia	36
Maryland	101	Washington	194
Massachusetts	224	West Virginia	20
Michigan	221	Wisconsin	221
Minnesota	514	Wyoming	22
Mississippi	19	Total	8,048
Missouri	744		

STATEMENT

ASSETS:		
Furniture and Fixtures	\$ 990.45	
Membership Signs	263.20	
Deposit in P. O.	17.86	
Postage On Hand	6.00	
Electro of Emblem	2.80	
Wrapping Paper, Envelopes, etc.	77.00	
Cash in Bank	1,021.18	
Accounts Receivable, Advertising	808.00	
Dues, July	2,660.00	
June	805.00	
April and May	280.00	
Sigs	50.00	
		\$6,981.49

LIABILITIES:		
Skinner & Kennedy Stationery Co.	\$2,315.76	
Memphis Association	160.00	
		\$2,475.76

*Note—\$2,100.00 of this has been collected since closing books.

THE CREDIT WORLD

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BUDGET

Salaries: Executive Secretary and Office Employees		\$ 9,120.00
Rent		800.00
Credit World, including Convention Number, and allowing for Advertising		12,000.00
Postage: General		1,200.00
" Credit World		360.00
Printing		2,500.00
Traveling		2,500.00
Directors' Meetings		2,000.00
Miscellaneous: Telephone, Telegraph, Parcel Post, Wrapping Paper, Office Supplies, etc.		3,000.00
Two (2) New Typewriters		200.00
One (1) Duplicating Machine		50.00
One (1) Stencil Making Machine		175.00
Total		\$33,905.00

Total.

RECEIPTS

	Indiv'l Member- ship	Ass'n Member- ship	Adver- ting	Sig- nals, etc.	Conven- tion Fund	Mis- cellane- ous	Bor- rowed Money	Total
August	\$ 48.00	\$ 403.25	\$ 80.00	-----	-----	\$ 51.40	-----	\$ 582.65
September	46.00	87.00	570.00	-----	-----	2.00	-----	705.00
October	200.00	389.35	100.00	\$ 2.00	\$ 500.00	15.10	\$1,000.00	2,206.45
November	286.00	1,046.50	100.00	37.10	-----	24.20	-----	1,493.80
December	351.50	726.50	214.00	3.00	-----	32.25	-----	1,327.25
January	333.00	1,095.50	91.66	.70	\$ 26.90	17.75	2,000.00	3,765.51
February	195.00	711.50	120.00	.85	-----	5.10	-----	1,032.45
March	205.00	1,500.00	310.16	6.10	-----	2.75	-----	2,024.01
April	268.00	1,947.00	191.02	216.60	-----	6.00	-----	2,628.62
May	255.00	1,507.50	118.49	112.85	-----	-----	-----	1,993.84
June	283.00	2,506.50	263.00	13.35	-----	20.00	1,000.00	4,002.84
July	320.00	3,113.75	1,069.98	39.50	-----	4.33	-----	4,547.56
	\$2,790.50	\$15,034.35	\$3,229.30	\$432.05	\$726.90	\$186.88	\$4,000.00	\$26,399.98
Balance								711.29
								\$27,111.27

DISBURSEMENTS

	Postage, Credit	Postage, Credit	Printing, Credit	Trav'g, Exec's, State	Salaries	Rent	Fixtures	Misc. Telephone, Telegraph, Office	Supplies	Signs	Loans	Total	
Aug.	\$30.34	\$20.00	\$36.80	-----	\$134.87	\$40.00	-----	\$263.59	-----	-----	-----	\$ 465.60	
Sept.	90.00	50.00	\$445.00	86.80	-----	330.00	40.00	119.90	-----	-----	-----	1,131.70	
Oct.	-----	-----	288.85	-----	664.02	40.00	-----	84.99	-----	-----	-----	1,127.86	
Nov.	100.00	25.00	509.23	25.10	\$78.86	-----	814.00	40.00	65.17	-----	-----	1,657.36	
Dec.	30.00	20.00	475.00	123.55	-----	725.00	40.00	\$474.55	73.19	-----	-----	1,981.29	
Jan.	-----	-----	1,000.00	123.55	54.07	660.00	40.00	-----	75.42	-----	\$1,000.00	2,829.49	
Feb.	40.00	20.00	500.00	-----	60.72	660.00	40.00	171.82	-----	-----	-----	1,492.54	
Mar.	30.00	20.00	1,000.00	36.00	224.60	665.00	40.00	-----	365.04	-----	-----	2,380.64	
Apr.	170.00	25.00	800.00	24.85	123.84	62.17	700.00	40.00	82.57	\$529.34	-----	2,557.77	
May	89.37	25.00	1,000.00	-----	170.40	42.20	700.00	50.00	-----	363.37	-----	2,440.34	
June	264.05	30.00	500.00	500.00	117.81	-----	700.00	52.00	14.04	168.50	2,000.00	4,346.40	
July	156.97	30.00	1,000.00	-----	155.55	726.00	52.00	-----	578.58	-----	1,000.00	3,699.10	
	\$1,000.73	\$265.00	\$7,229.23	\$1,121.95	\$544.98	\$545.24	\$7,478.89	\$474.00	\$474.55	\$2,257.08	\$697.84	\$4,000.00	\$26,990.09

August 4, 1920.

D. J. WOODLOCK.

PRESIDENT BLACKSTONE: If there is no objection, the report will be received and referred to the incoming Board of Directors so that proper action can be taken on the recommendations contained therein.

Gentlemen, we are especially honored this morning by having as the first great speaker before our convention, a man young in years but old in experience, who is recognized today as one of the greatest retail merchants in the world, a man whose capabilities it would be impossible for me, with the slight control of the English language that I possess, to properly delineate to you.

Without further attempt to do justice to the capabilities of this gentleman, I will present to you Mr. Oscar H. Webber, vice-president and general manager of the great J. L. Hudson Company of the great city of Detroit. Mr. Webber. (Applause from audience, standing.)

ADDRESS OF MR. OSCAR H. WEBBER.

MR. WEBBER: Mr. Chairman, Ladies and Gentlemen: I am not going to say anything in answer to your Chairman except to say "Thank you" to him. I know that he's made some remarks that are not justified. However, it is part of the duty of one that introduces another to say some flattering things, so that I am

just simply going to pass them over by saying "Thank you" to him.

I know that you have had a welcome this morning from official Detroit. I feel sure that you feel sorry that Mr. Couzens couldn't be with you, but you were addressed by Senator Lee, and I also know from looking over your program that you were given a welcome by the local Association, but I can't start my talk this morning without giving you another welcome on behalf of the retail merchants of this city—the Retail Merchants' Bureau. I am sure that every member of the Retail Merchants' Bureau wishes you a very profitable stay in Detroit and an extremely fine convention. I know that I speak for each one of them when I say that if there is anything we can do for you either as a Retail Merchants' Bureau or as individual stores during your visit to Detroit, that we'd be more than happy to do so.

I want to say in the beginning that I came here with a great deal of hesitation because it always seems to me to be a very hard job for a man to come before a group of experts and try to talk to them when he has a great deal less technical knowledge and a great deal less ability along the line that they are dealing in than all of the people in the assemblage. Therefore, I can say at the beginning that I am here with reluctance and only as a matter of fact, to

please Mr. Ahl, our very good credit manager. He knows that I did my best to evade the issue, but in the end I accepted, only to please him.

I am going to try to avoid trouble this morning by not talking very much along the line of the technique of the Credit Department, because as I say I know that each one of you here is an expert along that line, but I am going to try to give you just a few ideas from the standpoint of your jobs. You might say that my subject will be the size of the Credit Man's job. In other words, how big is the Credit Man's job?

That, of course, depends upon a great variety of things but there are about four important phases of that to which I want to call your attention. In other words, when I get through I want to just leave with you a few thoughts that I think perhaps the average credit man has not considered in connection with his job.

The size of the credit man's job, of course, depends first, a great deal upon the store volume as a whole; also secondly, the percentage of charge sales to the total sales of the store; thirdly, the credit man's own conception of his job and the realization of his opportunity; and fourthly, the realization and the conception of the firm towards the Credit Department.

It is these last two phases of the subject that I am going to dwell particularly upon because the first two are more or less obvious. However, I am going to touch just one or two points in connection with the store volume.

There are probably stores represented here in this convention doing below a million dollars of business, perhaps some from a hundred thousand up. There may be other stores represented here doing a volume from twenty-five, thirty, forty, maybe even fifty million for all that I know.

Now, it is perfectly obvious that in a Credit Department in a store of the latter type, the job is a big one. As the credit manager progresses in business from a small size to a large size, he naturally has more organization responsibility. He has more people in his department to do his work. That means that he has to develop from perhaps an individual worker in a small store where he has just himself and one or two others into an executive. Consequently, it is entirely obvious that the size of the store has a direct bearing on the size of the credit man's job.

Also, of course, the percentage of charge sales to total sales has a great deal of bearing. I mean by that, that a credit man's job in a store that did ten million dollars, which had 60% charge and 40% cash, would presumably be larger than a store doing a total volume of ten million dollars which only had 30% charges and 70% cash. Also, it might be fair to say that in a store doing ten million dollars with 60% cash, the credit man's job might be equally large, as the one in a store of twenty million dollars and 30% credit sales. So that not only the size of the total volume of sales as a whole but the percentage of charge to the total volume have a direct bearing upon the size of the job.

But the main question at issue (as I said, these things are more or less obvious), that I want to put before you this morning is whether you, the individual credit man, have realized the bigness of your job, whether it's in a small store or whether it's in a large store. I want to point out to you that you occupy a very important function in your business, that your department is a department of very great importance to your firm.

I must admit that in working out the thoughts for this address I believe I realized that about our credit department more than I ever have before, so that if my coming here accomplishes nothing else, it will probably help Mr. Ahl a little and I realize the importance of his department more than I ever did before. (Applause.)

You know, sometimes we have a branch of our business that goes along and functions smoothly and the firm doesn't stop to recapitulate once in a while to know just what makes it function smoothly, and to just realize how important it is to us. Now I just want to ask that question, whether each one of you have ever analyzed your job and analyzed the

situation in reference to your department to realize how important you are to the store as a whole.

I will bring the point to an issue by asking this: Have you ever stopped to think what would happen to your business if you lost your credit volume? That may be a foolish question. In a store that does perhaps 10% credit volume, probably nothing would happen, they'd go along and do enough cash business to maintain themselves, but I know stores and you all know stores whose credit volume mounts up as high as 75% or 80% or even higher. Consequently, in a store whose volume is that large a percentage, the loss of the credit business would be a very important thing. It would probably mean the failure of the institution.

As I said, that is a very extreme illustration. I know that the heads of your business, each one of you, are not going to be so asleep at the switch that they are going to allow the Credit Department to function in such a way as to lose their credit business, but I make that as an extreme illustration just simply to cover the point.

To get down to each one of you, whereas you probably haven't it in your power to so conduct your Department as to lose the credit volume of the store, you do have it in your power, in your handling of each individual applicant for credit and in your handling of each individual credit transaction, to either make a permanent customer for your business and in that way play a very important part in the upbuilding of your business, or to lose a customer of the store by improper or discourteous treatment, so that I say you are a very, very important adjunct to the business as a whole.

Each customer that comes to your attention means one sold to the service of the store or one lost through some improper handling.

I might say as an illustration of that—perhaps you have never realized it before—that each one of you is a part of the advertising and sales organization in your store. You are an adjunct of the sales manager's office in that you have within your power and your department tremendous advertising force. You either advertise to the 10% or the 80% that you may sell through the credit department the good service of the store or you do just the opposite in a good many instances and you advertise the bad service of the store, so that I say and I just want to repeat in passing the importance of this point, that perhaps you haven't any of you realized what an important link you are in the business as a whole.

Another very important phase of the matter, as far as the credit department is concerned, is this: The financial phase of the business. I wonder whether all of you or any of you have been told (and I admit I have never told Mr. Ahl this; this is one of the things that I happened to think of when I was preparing this address but it's a good one), that anywhere from 5% up to 15% or 20% of the total stores' capital in the average store that does a good-sized credit business, is tied up in accounts receivable outstanding. In other words, it might run a little less but in a store that is doing a good percentage of credit business, say from five per cent up,—10%, 15%, 20%—(probably very few instances beyond that), their entire capital is tied up at the end of any given month in accounts receivable in credits outstanding. All it takes is for me to call your attention to that to show you how obviously each one of you is tied up with the financial handling of your institution.

In other words, the problem that you usually ascribe to the head of the house, because it's his job to worry about the finances and work out the finances of the business, but when you stop to think that such a large part of the capital of the business may be tied up under your control, you recognize the direct bearing you have on the handling of the finances of the business.

Of course, the main place where you come in on that is the question of collection. In other words, where you can do a good job or a poor one in helping the financing of the institution

is the rapidity at which you can collect your accounts.

Now then, with a large amount outstanding in accounts receivable, of course it is extremely important that as large a percentage of that as possible be collected in the following month. Anywhere from a minimum of 55% up. You can go up as high as you like, and of course the higher you go the more efficient the credit department is, but I would say that a minimum of 55% of the total outstanding should be collected on the following month and probably higher.

But, supposing that shrinks to 45% or 35% or 48%, that just simply means that every dollar that that shrinks is tied up in more or less inactive capital in the business and it means that the head of your house under existing financial conditions has got to provide more money for the operation of this business than he would have if the credit department was functioning in the proper way, and the percentage of collections was larger.

Carrying it quite a little further in reference to collections, I am only going to talk a little on technique and I am going to steer fairly clear of it. I want to point out just two things in the matter of collections that may be of interest to you, two points. A person could talk an afternoon on the matter of collections, I realize that, but the first is the rapidity with which you get your statements into the mail. In other words, I have always said that the store that gets their statements into the mail first in the community or is among the very first, stands a very much better chance of getting good collections than a store that sends their statements out the third or fourth or fifth of the month.

It stands to reason that the first statements that people get are the first they are going to consider paying and the ones that come in last are the ones that are going to be delayed, so I think it's a very important phase that you perhaps haven't considered, namely, to get your statements into the mail at the earliest possible moment each month.

I suppose that I am going to knock quite a few of you now when I say that I haven't any sympathy whatever with a credit department closing their books on the 26th or 27th or 25th of the month. (Applause.) In other words, I don't think it is necessary and when a person tells me or a credit department tells me, or the head of a store tells me that they get their statements into the mail the first day of the month by noon, the first thing I want to know is, "When did you close your accounts?" And usually, or frequently, the answer is, "Well, we close on the 25th," or, "We close on the 26th or 27th or 28th."

That is just simply kidding yourself, to use a slang expression. I don't think it is necessary and I think that when the credit department is fully modernized and put upon an efficient basis, that the statements can be gotten out the first day of the month and the books of the credit department closed on the last day.

One other phase of the collections is the thing that perhaps hasn't occurred to some and that is a semi-annual analysis of accounts outstanding. In our business the first of February and the first of August we make an analysis of our accounts outstanding to show the age of the accounts. In other words, when the statement comes to me it shows, the first of August statement will show, so much outstanding for July, a certain percentage outstanding for June or May and as far back as we happen to have any outstanding, which of course has a direct relation on the efficiency of the department, but that not only shows me but even more important, it shows you. It shows the man who is the executive head of the department, just where his accounts are; it shows the efficiency of your collection department, and I believe that if each one of you has not done that, they will find a great deal of interest. It doesn't take long, it isn't a big job, taking off an analysis of those accounts because that will bring before you facts that I don't believe you have ever known before.

You may have estimated, you may have thought, you may have believed that a certain thing was true but it will bring before you facts which I believe will prove a great deal of interest to you.

It should show that 85% to 90% or even better of the outstandings should be in the two preceding months and the balance scattering because I realize, as any business man realizes, that nobody is 100%. If we had 100%-ers in our business or if we were 100%-ers ourselves, we wouldn't want to be on this earth. The man who doesn't make a mistake or the man who is too highly efficient we personally don't want in our business so that I say a certain percentage of your credit outstandings will be spread in the months previous to the two preceding months, but 85% to 90% at least should be in the two preceding months and I think you will all find it a matter of great interest if you will make such an analysis at least once a year; possibly it isn't necessary to make it semi-annually.

I covered the two main points of the importance of your job, namely, the service, selling yourself, selling the business to the customer, and the financial end. Now I want to go back and cover a few important details in connection with the service, things that I think might not ordinarily come to your attention.

I believe that one of the most important jobs in a credit department is the opening of the account. In other words, I think that too few credit men pay enough attention to the tactfulness, to the smoothness, to the carefulness with which the account is opened. You all realize that it is the first part of your transaction with a customer, the impression that you create or the impression that your department creates upon that customer when they come to you as an applicant for credit that is a lasting impression. It remains with the customer always. If a competitor of yours treats her more courteously, quizzes her less or subjects her or to less of an inquiry as to their credit standing, they are going to remember that and they are going to say, "Well, they are the people that I'm going to give my business to," so that I say to you, as credit men, pay a great deal of attention to the method in which you open your account.

You want to remember that a very large percentage of the people that come to you as applicants for credit are women and I think that you will all bear me out that a good many of them don't understand why you have to ask so many questions, they don't understand why you want to know all about their husbands' business and whether they are a property owner and all this and that, but they have a lasting impression of that process. If you go into it too deeply they go out and say, "Well, such and such a man in such and such a store submitted me this morning to the third degree, and I don't like it." And they add, "In this other store they asked me just a few questions, and that's the place where I'm going to give my business."

I don't know much about credit accounts in any other part of the world, I might say, but the city of New York and the city of Detroit. I do happen to have accounts in quite a good many of the New York stores. I don't know whether there are any credit managers from New York here or not but I want to say that I believe the credit managers of the country at large could learn a lot from the credit managers of New York as to the method of opening accounts. (Applause from New York delegates.) I take it that there are some New Yorkers here.

The point that I was going to make was this, that I have accounts, I believe, in probably a dozen New York stores and never yet in my experience in opening accounts in a New York store have I been subjected to the process that I know many customers, most customers in fact, are subjected to in many parts of the country. I know that by hearsay, but I believe it to be true.

In other words, in New York, when you go into one of the larger stores, usually someone is despatched from the credit department to

interview you on the floor and their questions are very few. I believe it's a question there very largely of judgment, judgment of the personality of the person applying for credit, possibly in some instances the position but I don't believe that the position that I occupied when I said I was vice-president of the J. L. Hudson Company—I'm just as sure a good many of those credit men probably didn't know there was a J. L. Hudson Company and I don't believe that simply because it was myself as an applicant for credit that they gave me preferential treatment.

My point is that I believe they are doing a better job there than the country as a whole in the opening of credit accounts. I tell you, that creates a very, very strong impression and the only trouble in New York is that they all do it so that nobody gets the edge, but I remember very distinctly my coming back and telling Mr. Ahl the experience I had in one of the larger stores in New York which was very flattering to say the least, it made me feel good, and I came back and told Mr. Ahl about it as an example for our department, and I believe that we could all profit in our businesses from that point of view.

The point that I want to make, and I am going to be called a heretic for making it, and if you go back and tell the head of your business that I said it they will certainly say that I am not what your chairman said I was, to say the least, but I say to you that I think the credit departments of the United States, most of them, are sufferings from an excess of caution. In other words, they work on the theory that there are a good many dishonest people, where I believe that a very, very large per cent, pretty close to 100% of people are honest and I believe that accounts can be opened more on the judgment and discretion of the credit man oftentimes and frequently opened right on the moment without going through the quizzing process, and I just simply want to say that to your organization as a whole as a thought to take back with you, to take back home and see whether it can be applied to your own business.

The next proposition is the credit department organization. I am talking now about the credit department in a large business. We have a system in our business, and I am not going to talk much about our business, but this one point I think will interest you—that is divisional credit men (that is, where you are operating a large credit department I believe the idea will interest you) the same as we have divisional merchandise men in our business, the same as we have specialists in control of a given department in our business so we have specialists handling a given number of letters of our credit accounts and these men occupy important positions, they are in touch with the customer when the account is opened and this means specialization, it means better knowledge of the accounts.

When a man is handling only a few ledgers with a few letters, he gets to know those accounts, he knows them intimately, he knows the people, he knows many of them by name, he knows their problems and he is much better qualified than where simply one or two people are passing on a vast number of accounts as a whole, so I recommend for consideration in large departments that idea.

One other point that is a source of some difference of opinion, I might say it's a great bone of contention in all Credit Departments, is the matter of refers. I expect this may be a sore point but I am going to touch on it and that is that you can't possibly give enough thought to the question of refers. I am talking about refers now from your central authorization place to your main office. That is where a large part of the trouble in credit accounts happens.

I realize that refers are necessary; I realize that a good many accounts are in such condition and such status that they have to be referred upstairs, but what I do object to is the frequent slowness of such service in many stores, and I believe that if each one of you

would go home with the idea of thinking out that one problem in your business as to whether you are giving your refers as good attention as you can, whether you have put simply a young boy or a young girl in handling those or whether you are handling them intelligently—because the customer that you make wait twenty minutes, twenty five minutes, sometimes even a half hour on a referred charge doesn't understand, doesn't understand the workings of your department, doesn't understand frequently the necessity of that refer and she simply blames the Credit Department and therefore blames the company.

As I said, you are a part of the advertising and a part of the service of the company and if you are slow in a given transaction, they blame you.

Then, the next thing and the last thing that I am going to mention along the lines of your department is the matter of credit authorization. I believe that in the Credit Department speed is just as much an essential, probably even more so than in the handling of your cash transactions. I say that advisedly. I believe that the credit customer, the average credit customer of your business (I think you will bear me out in this) is a more critical individual than your average cash customer. He probably does more talking about your service and more talking about your store and more talking about you individually if he isn't pleased with you than your cash customer. Therefore, I say that the speed of your authorization is of maximum importance, and I don't believe that in many places it is given enough attention.

Now, maybe I am going to divulge a stage secret to some of our competitors in the room, there probably are some Detroit credit men here in the audience, but this is just to illustrate the point that we believe that people are honest and over a period of eighteen or twenty-four months or I guess even longer, they have proven to be honest in the large; we have been authorizing charges in our tube room up to and including five dollars without looking at 'em.

The minute a charge comes in and the amount is under five dollars, it is stamped and sent back immediately without being looked up on the Rand or without the authorizer having any personal knowledge of it whatsoever, and we have found, covering a period of a good many months as I have said, that our illegal buying as you people probably know it, has increased very little and I think that we have had it demonstrated to us that as a whole the system is very good and it means a very great increase in the rapidity of our service, because I think you will all realize that credit transactions under five dollars form a very large majority of the total transactions that go through your authorization room, so that when I say that I think it's obvious that it means speed and service you can see why I believe so.

I know that a good many stores have the local authorization on the floor by floor managers, etc., but oftentimes that takes much more time than the other system because floor men are few and far between in many stores, they have to be called and the customer has to wait so that the system which I mention is one that is worthy of your consideration. I don't know that you could sell the idea of your firm and as I said, I may be called a heretic when I say that the Credit Departments are suffering from over-caution, but nevertheless I think it's a thing that you as individuals and your organization as a whole could well consider.

I know that I could go on probably at length and talk over details with you as to the handling of your departments and the handling of our departments, but I am not going to do that. As I said, I didn't want to get too much into technique, I just wanted to come here this morning and I hope that some of the ideas that I have given you in the large may be taken back home by you, talked over with your firms and that they may help you as individual credit men to realize the importance of your job and perhaps, as it occurred to me in working this thing over, make the firm realize the importance of the Credit Department.

Thank you. (Hearty applause.)

PRESIDENT BLACKSTONE: Ladies and gentlemen, I am impressed all the more by the fact that it is unnecessary for me to apologize to you for my introductory remarks regarding Mr. Webber and I detained him just long enough to add an additional thanks on the part of this convention and to do one additional thing and that is to ask those who are in accord with my introductory remarks to again rise.

Entire audience rise and applaud.

We now revert to the original program and I will conjointly ask our Treasurer, Mr. Gilfillan, to make his report as Treasurer and also to present to you a short talk as he is the first President and the organizer of this Association. Mr. Gilfillan. (Applause.)

Mr. Gilfillan reads Treasurer's report.

TREASURER'S REPORT.

To the Members and Board of Directors of the Retail Credit Men's National Association: Gentlemen:

It gives your treasurer great pleasure to report cash receipts and expenditures as follows:

To be able to report these results is most gratifying especially when one considers that the Association has been operating on a self-sustaining basis. While it is true that we have had temporary loans from time to time, now all paid up, we have not sold stock or bonds to furnish working capital. While these results are most wonderful, I still believe we are operating on the wrong basis.

To start an organization of this nature is not unlike a business enterprise. It should have working capital while in its infancy. Service is our watchword and we cannot hope to get it in the highest degree or as quickly as it would be possible if the men at the wheel could devote their whole time to the service problems instead of being burdened with the labor of getting in new members and in order that the running expenses may be met.

Let's first render a service of such high grade and wide in its scope that no retailer in the United States who extends credit can afford to be without it. With such a service our members would soon furnish sufficient revenue to render this service mentioned.

In mentioning these facts we do not wish to be understood as in any way criticising what has been done in the past. On the other hand those responsible for the results obtained should be highly commended as their work has been most marvelous.

It is understood that we have several plans which have been recently outlined for consideration at this meeting to furnish working capital. The treasurer urges those who have this important matter in mind to take some definite action before adjournment of this convention.

Respectfully submitted,

S. L. GILFILLAN,
Treasurer.

Receipts.

Balance on hand August 14, 1919	\$ 711.29
From Rand Co. for Advertising	800.00
From George Batten Co., for advertising	720.00
From The Ellis Co. for advertising	800.00
From 1919 convention fund	726.90
From McJunkin Advertising Company	24.99
From Mr. Crowder	51.40
From Dues	19,173.76
From Bank rebate of int.	2.33
Miscellaneous60
	\$23,111.27

Disbursements.

Salaries	\$ 7,745.47
Printing	8,550.87
Rent	474.00
Postage	1,149.85
Traveling	868.74
Signs	697.74
Miscellaneous	1,403.82
Executive Committee	829.00
Furniture	370.60
	\$22,090.00

Balance on hand \$ 1,021.18

PRESIDENT BLACKSTONE: The Treasurer's report will be received and referred to the incoming Board of Directors for the purpose of giving consideration to his recommendations.

Mr. Gilfillan, the organizer of our Association, will now present his compliments to you and it affords me great pleasure to introduce a man who is the conjoint founder of the Association, Mr. Gilfillan.

MR. GILFILLAN: In appearing before you I am reminded of that old adage, "Mighty oaks from little acorns grow." Eight years ago the 22nd of this month, it was my privilege and pleasure to witness the planting of the seed from which this great organization has sprung. Today I behold the mighty oak. In planting this seed as in any other, certain investigations had to be made. In planting an ordinary seed we'd have to analyze the soil and investigate the climatic conditions. It has been so in this case.

At first we consulted several hundred credit men throughout the United States to ascertain if, in their opinion, there was sufficient material and of the right quality to warrant and sustain such an organization as we had in mind. The replies were both in number and quality, I must say, lacking in enthusiasm, but a few of the credit men, believing in such an organization, that there was use for such an organization, pushed on and it is very gratifying today to those who did push on to see these marvelous results.

From this seed has sprung the plant but it has been a tender plant. It has required tender care. Those who have had the matters in charge from the beginning of intensive, laborious work and many anxious hours, but when we behold these results, we feel most gratified. When we look into your faces and see the handsome men and the beautiful ladies, it is most gratifying.

I want to pause right here long enough to express my personal opinion to those who stood by this ship in these dark days. Yet, when I think of the hardships that we have passed through, they are more than over-balanced by the many pleasant memories. These memories started from the very day of this organization, going back to the organization at Spokane. I recall the trip down through the sandy deserts where the sand drifted into the train and formed in great drifts in the train and the temperature was almost unendurable, but in spite of all of these obstacles, the trip was most joyous, made so on account of its being composed of a jolly bunch of credit men.

Then I recall our convention at St. Louis where we visited the breweries (laughter), which was more pleasant because of the refreshments we received. It is sad, however, to think that we may never be able to go through one of them again!

Then I recall at Omaha the Aksarben, where the electric currents were more tortuous than the cooties in France and the embracing that Mr. Woodlock got—I won't recall it!

The pleasure that we had at Duluth and the baseball game that we had at Rochester between the credit men and the mercantile agency men, all bring most pleasant memories to me. I did not have the pleasure of attending the convention at Boston, but I am told that they had an equally joyous time.

Out of these hardships and frivolities have come wonderful results. We point with pride to our 8,000 members, to our national office at St. Louis, to our magazine and the web we are weaving to catch the crook that fits from city to city and preys upon the business public. We are now well on our way, we have passed the critical state, the experimental stage, we know that we are on the right track, it is now only a matter of development.

This is somewhat of a problem. We are not quite sure that we are on the right track, but of one thing we are sure—that there is a vast amount of work to be done. There is work for all of us. The officers cannot do it alone. The fact that you are a delegate to this convention indicates that you are taking an active part in your associations at home.

THE CREDIT WORLD

As one of the founders of this organization, as a present officer and as one whose heart and soul is in this work, I want to congratulate you on your wisdom in seeing the necessity for such work and to express the sincere appreciation for the interest you are taking.

Of course the principal object of these conventions is to get ideas that will make you more efficient in the discharge of your duties to your firms, but another important object is to manufacture enthusiasm and I hope you will absorb a sufficient quantity at this meeting so that you may go back to your places resolved to do better work both by your firm and in your organization.

Pardon me for giving you a little advice. It is true that you are attending these conventions having in mind the improvement of your firm, and let me say in all sincerity that I believe that there is not a better way to improve yourself or your condition than taking an active part in your local association; the more active you become, the more benefit you receive personally. When you are asked to act on a committee, do it; when you are requested to write or read a paper, do it; when you are asked to enter into a discussion, do it; when you are asked to make a speech, do it. Then when the Retail Credit Men's National Association reaches their goal of 100,000, when every individual in the United States that has a credit account is educated to feel as much obligated to pay that account on the very date it becomes due, whether it's the first, tenth or fifteenth of the month as the case may be, and realizes the importance as he would if he had an obligation to meet at the bank, when the crooks fear to operate, when the credit departments are operating with the highest degree of efficiency you can look the whole world in the face and say, "I helped to do it." (Applause.)

PRESIDENT BLACKSTONE: Gentlemen, the man who served this Association in the capacity of its second President, needs no introduction to you. He has already spoken. Mr. Woodlock. (Applause.)

MR. WOODLOCK: Mr. President, Ladies and Gentlemen: You know that our President is a military man. His title is Colonel. I am only the Adjutant and he just said to me, "We are running behind schedule here; I don't want you to make any speech." I am not supposed to make a speech. I will say, though, that it was a great honor for me to be elected to succeed the founder of this Association as President at the convention in St. Louis and to be re-elected at Duluth, and the many acquaintances I made during the two years that I served as President and the many happy hours I spent with various credit men in all parts of the country will long be remembered.

In those days it was quite a problem. Mr. Poinexter, our good friend from Nashville, Tenn., the Treasurer at the time and I recall when we wanted to get out a circular letter, he'd write me, "I haven't any funds in the treasury; where are we going to get the stamps?" We never had more than a dollar and a half at one time and now when we have grown to the proportion where we handle \$25,000 or \$30,000 a year, it looks like a mighty big proposition, but I think we are only on the way, we are only beginning, and I am glad to hear Mr. Gilfillan mention that he hoped to reach eventually the goal of 100,000. (Applause.)

PRESIDENT BLACKSTONE: We have with us today a member who has traveled across the continent for the purpose of attending this convention and also I might say, for the purpose of presenting to you the compliments of the past President of this Association who at one time was one of the most active men in it. I present to you for the purpose of representing Mr. H. Victor Wright, Mr. J. W. Lewis, the President of the Associated Retail Credit Men of Los Angeles. (Applause.)

Mr. Lewis reads message from past President Wright.

Avalon, Catalina Island, Calif., July 30, 1920.
To the Members of the Retail Credit Men's National Association in Convention Assembled at Detroit, Michigan, August 10-13, 1920.

Dear Fellow Members:

The kind invitations of President Blackstone to the past Presidents of our National Association to participate in the 1920 convention program with a brief message impresses me by its thoughtfulness upon his part and by the privilege which it offers upon our own.

Time is too valuable for personal allusions, except insofar as they may directly serve the interests of the Association under whose auspices you are gathered, and while it would be impossible to adequately express the measure of my loss in not being able to be present this year, I want to gratefully emphasize this one thought—that I do not believe there is a man who has been privileged to serve the Retail Credit Men's National Association in the eight years of its existence, in any office, who would willingly absent himself from these convention gatherings.

It will be the first annual convention at which I have not been present since 1914, and if circumstances would any way permit, it would have been my greatest joy and privilege to have been with you in person, as I surely will be in spirit.

The past year has been marked by a growth and a progress in our National Association which we must all appreciate, and which should be, and undoubtedly will be, the occasion for congratulations to those to whom these accomplishments are in the largest measure attributable and who have the more directly carried its burdens and assumed its responsibilities.

Such growth and accomplishment must not, however, be permitted to lull us into a sense of contentment or ill-timed lethargy, but must rather spur us on to greater achievements.

Personally I believe the greatest need of our National Association at this juncture to be a clear and concise, constructive platform as a basis upon which to build, linked with the strong support, moral and financial alike, of the retail credit grantors of the nation which such a platform would encourage and justify.

To this end we need the active interest and support of men of broad vision who are willing to sacrifice personal ease and advantage for the larger opportunity for service to our country, which the activities of our National Association, rightly directed, should accord.

I believe that if the Retail Credit Men's Association is to occupy the place in our commercial life which its functions justify and demand, it must be prepared to express itself with equal intelligence and decision upon whatever problems have a more or less direct bearing upon the extension of individual credit and the performance of the duties which devolve upon the retail credit grantors of the nation.

To do this, I believe, with a conviction which no words of mine could too strongly convey, that the policies of the Retail Credit Men's National Association must be not merely theoretically but practically directed by men of intelligence and breadth of vision—representing various sections of the country and differing phases of commercial activity who are afforded the opportunity of meeting from time to time for mutual conference, for calm and earnest deliberation, for pronouncement of policy and for constructive advancement.

I believe that this will not in any degree lessen the dignity attaching to or the responsibility resting upon any officer or officers of our National Association, whether salaried or otherwise.

On the other hand, I believe that the greater dignity which would attach to our National Association, when its voice was more generally sought and regarded, as it should be, would add in a very large measure to the prestige attaching to the position of any officer of our National Association.

In this connection I would like to suggest, for your consideration, the desirability of segregating the duties of the Executive Secretary from those of the editor of the "Credit World"—the official organ of our National Association.

I offer this suggestion because I am personally convinced that therein lies one of the solutions of our problem of rightful advancement—assured as I am that NO MAN is big enough or adequately equipped to do justice to the widely divergent duties which are at present centered in one office.

Our National office requires the ability of an executive secretary. Our bulletin, which should command the services of the best brains of the country along economic lines, equally requires the peculiar capabilities which an editor, to be successful, must necessarily enjoy.

I realize that the segregation of these duties apparently increases the expenses of the National office, although an increased revenue from advertisers in our bulletin might counteract this, or even operate to our financial advantage; but, in the matter of finance, will you permit me once more to urge upon your consideration the establishment of a Sustaining Membership Fund along the lines which I have from time to time advocated during the past three years, and which I fully outlined to the Board of Directors in April, 1918, when serving as its chairman.

Time only serves to confirm my judgment that such a plan is equitable; while experience has proven to me conclusively that such a method of financing a National movement which performs a valuable and needed service can be successfully applied.

I would like to further cordially urge upon your consideration the advisability of changing the time for our annual convention gatherings.

Personally, I believe that the month of June (selecting a period in the month which would not conflict with the annual convention of the National Association of (Wholesale) Credit Men would be far more desirable than August—not so much by reason of climatic conditions or vacation requirements, important in their bearing as these may be, but even more so because it would permit a new administration to formulate its plans, appoint committees, etc., in time to receive the full benefit of the activity and vigor of the Fall period which the holding of our annual convention in August has always prevented.

In May of this year, California, which it has been my honor and privilege peculiarly to represent in our National body, held its first State Conference of Retail Credit Men and Credit Bureaus, and in so doing not only brought together in conference for the first time within the history of California the retail credit grantors of the State and those associated with them as bureau managers, but achieved the distinction of being the first State in the Union to hold such a conference—culminating as it did in the formation of the California Association of Retail Credit Men and Credit Bureaus which was organized at the concluding session of the conference.

Distance makes it impossible for many of our members to attend the annual conventions of our National Association, and these State conferences will only serve to stimulate a desire to attend an annual convention whenever possible upon the part of those who are privileged to participate in a successful State gathering.

We have our various and individual State problems and State legislation, and legislative reform requires united action upon the part of the retail credit grantors of our respective states.

Such State conferences will, we believe, serve to bring together in helpful and co-operative effort the various local associations throughout the State.

May we submit the advantages to be derived from these State gatherings for your earnest consideration?

With heartiest greetings and good wishes for a most inspiring convention and for the continued growth and usefulness of our National Association, I remain

Very sincerely yours,
H. VICTOR WRIGHT.

PRESIDENT BLACKSTONE: The next member of this Association who served as its President and who is in my estimation a continuous booster for affiliations of retail credit men, a man for whom I have a very high regard and whom you all know—Mr. Wm. H. J. Taylor, of New York City. (Applause.) I present Mr. Taylor. (Applause.)

MR. TAYLOR: Mr. Chairman, Ladies and Gentlemen: Away back in 1916 I went out to Omaha all alone. I was an individual member of the National Association, we had no association in New York. When I got out there I found a lot of congenial fellows and I had a bully good time and when I came home I made up my mind that in New York we should have a credit organization, but I didn't know how to go about it because I knew none of the credit men in New York. I am frank to say I didn't know three credit men personally, and I didn't know a half dozen by name.

However, I decided that I would try and get around it in some way. I got my stenographer to call up thirty-five houses and find out the name of their credit man. She did that and then I wrote thirty-five letters to the thirty-five men who represented the largest shops in their various lines, and I am happy to say that out of that thirty-five, thirty-two responded to my letter in which I asked them to meet me at a dinner on a certain evening to talk over the matter of forming a Retail Credit Men's Association in New York.

We met at the dinner and talked the matter over and we all concluded that it would be a good thing and we decided to have a Chairman appointed. They saw fit to appoint me and I appointed several committees on organization and we got together two weeks after that and formed a New York Credit Men's Association known as the Associated Retail Credit Men of New York.

Today, by hard work, we have 531 members, all members of the National Association and all of them credit grantors. We made it a part of our organization plan that any member joining our local association automatically became a member of our National Association and I believe that is the proper plan for all organizations to use—to automatically have their members become members of the national body.

Mr. Woodlock said a while ago that when he was President they only had about a dollar and a half in the treasury, and going over our financial statements since we have been an organization, I can't see that we have any more money since that time per capita than we had when he was President, and I think it's a very great problem for this Association—the matter of its financing, and I hope that at this convention some means will be provided whereby more funds will be provided for the National Association. We've got to have a working capital and you can't run a big organization without money. I hope before this convention adjourns that a larger revenue will be provided for the conduct of this Association in the future.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: Several years ago the great State of Texas, the largest territorial possession of the United States, became famous in retail credit work through the excellence of their membership chairman and his later career as President of this Association and as Executive Secretary. Therefore, it gives me pleasure to re-introduce to you Mr. L. S. Crowder, who is supposed to be somewhere hiding in the rear of the hall. (Applause.)

MR. CROWDER: Mr. President, Ladies and Gentlemen of the Convention,

"At the Cleveland convention in 1917 I was elected your First Vice-President, and in the Spring of 1918 assumed the duties of President following the resignation of Mr. W. H. J. Taylor, who deemed it wise to retire because of the condition of his health.

Upon asking our worthy President this morning what he desired me to say I was informed about as follows: "Crowder, I want you to cover your activities as President, but you are not to

take more than 5 minutes." Now, as President, we are expected to put in a lot of hard work, and in making our annual report we tell you of the hard work and usually take considerable time in doing so, for which reason I cannot understand why we should be limited to 5 minutes at this time. (Laughter.) Well, I shall not require exceeding 3 minutes.

"In the summer of 1918, I visited several leading cities of the South, organizing local Associations and on this trip assisted in the organization of that now famous Association—the peer of them all—Memphis." (Applause.) "Prior to our Boston Convention, feeling that our National Association should be clear of debt and that some of our leading Associations would gladly participate in raising a fund to cover an existing indebtedness of \$1,500 incurred the year before and representing a balance of \$2,000 advanced for promotional purposes by five local Associations, I presented the matter by letter to some 20 affiliated Associations with the result that we were able to take care of the indebtedness as reported at the Boston Convention.

"I know of nothing further to report except in closing I might mention that our membership doubled between the Cleveland and Boston Conventions, going over the 3,000 mark. While I am no longer actively engaged in credit work, now having charge of the General offices of Mandel Brothers, I shall always take a deep interest in credits and hope to attend each succeeding convention of the Retail Credit Men's National Association.

Thank you. (Applause.)

PRESIDENT BLACKSTONE: It is hardly necessary for me to say anything in connection with the introduction of Past President Sidney E. Blandford, of Boston. It has been such a short time since he held the reins as President of this Association that I would be remiss if I felt for a moment that every one of you didn't know him. I will, however, merely ask Mr. Blandford to come forward and present his compliments and say anything that he has in mind that will benefit this Association.

Mr. Blandford. (Applause.)

MR. BLANDFORD: Mr. President, Fellow Members, Ladies and Gentlemen: It's a real inspiration for me, my friends, this morning as it must be to every one of you, to breathe the inspiration of this aggregation of representative credit men and women from the length and breadth of this great country and to look into your faces. There is always an inspiration in coming together with what I may term multitudes, but that inspiration is accentuated always when we find and when we know and realize as we do this morning the thoughts, the channel of our thought and our sympathies are running in the same direction.

There is that mutual fellowship which is the underlying principle of this great organization.

President Blackstone has reminded us that we are not at liberty to make speeches, that we are just to show ourselves and say a few words, but I should be remiss, perhaps, in my duty if I did not attempt to say something or to cover perhaps somewhat the review of the work in which I have been identified with this Association.

It was my privilege in 1912 to be President of the Boston Association of Credit Men, one of the pioneer organizations of the country, and when the call came from Minnesota from Mr. Gilligan asking for the active sympathy and co-operation of our association in forming the National Association of Credit Men, it was my privilege as President of that Association to send greetings with a pledge of support and pledging not only my own support as President but also the pledge of the entire Boston organization.

It did not seem a great honor, my friends, at the close of that convention which I was not privileged to attend by reason of the fact that the notice was so short that I could not plan to go to Spokane, but it did not seem to be a great honor to be elected on the Board of Directors of an organization which consisted of fifteen

members and again at Rochester in the following year it was my privilege to attend there as the representative delegate from the Boston Association, and although it pleased me very much, as it would any man who is interested in a subject of this kind, at the same time it did not seem a great honor to be elected the First Vice-President of the Association at an organized convention.

But as we look back upon the history of that organization, and as we recognize its growth up to the present time, we cannot but realize that we were identified with an historic feature, that we are identified with an historic occasion in which was founded this great Association of Retail Credit Men.

Now, within the limited time assigned to me, I shall not cover, make a review of the entire Association. Suffice it to say that in Cleveland I attended the convention when the Boston Association delegated me to invite the convention to Boston the following year. You all know that we had a splendid convention in spite of the fact that the country was at war and because of the general conditions and more particularly of the railroad facilities at that time there was some doubt as to whether or not a convention could be gotten together that year, but with characteristic optimism, my friends, of the credit men we were determined to have a convention that year and I think that I need have no hesitancy in saying that up to that period, up to that time, Boston, the Boston convention, in spite of the cloud of war that was hanging over us, up to that time it was one of the most enthusiastic conventions of our Association.

And then the convention at St. Paul that you know about, where there was that overflowing enthusiasm among our associates such as we find here this morning.

Now, without going into detail, let me say that with the convention at Boston we had reached a point, not particularly through the effort of any one man, but by the combined effort of the members of this organization we had reached the point where we had found ourselves. It was possible to define a definite plan and we did find a plan by electing an Executive Secretary and using him for a part of the next year as a field secretary in order that he may go out throughout the country and preach the gospel of co-operation and good credits.

I need not tell you, my friends, what the work of Mr. Crowder during my administration amounted to, and as I said in my address last year, the seed sown during that period, during that administration, more particularly as the result of Mr. Crowder's work, will continue to bear fruit when you and I have ceased to exist as credit men.

Now, we have come to the greatest convention of all, when the tabulation indicates that we have gone beyond the 8,000 mark and therefore, my friends, it is a real privilege for me, as a former President of the Association, to be with you again and to have the opportunity of speaking to this assemblage on this grand occasion when we can look from the membership of 15 to a membership of 8,048.

But besides this material gain, my friends, in addition to this material thought of improving better conditions, there has been a consistent and a persistent idealism which has permeated this association from its inception up to the present time. There has been that high idealism of stabilizing, of establishing the highest standard of character, a high moral standard among the credit men, the men who handle and govern the credits of the retail stores of the country, and more than that, our idealism extends to the point where we want to establish and where this Association is responsible, more so perhaps than any other organization of its kind, in establishing a higher standard, a higher moral standard in the whole community. Without this idealism, my friends, this or any other organization will fail to succeed.

But we are succeeding because of our determined efforts in our own behalf, because of our determined efforts in behalf of the merchants whom we represent and because of our deter-

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mined efforts in that higher idealistic sense of promoting the welfare of the citizenship of this grand United States of America.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: I have been wondering as I listened to Mr. Blandford what kind of an effort he would put forth if he were really asked to make a speech. (Laughter and applause.)

Gentlemen, we have in the city of Pittsburgh, sometimes known as the city of smoke and steel—(s-t-e-e-l)—a gentleman who is a distinctive credit man. He is the Second Vice-President of the large wholesale Credit Men's Association of that city and the First Vice-President of the Retail Credit Men's Association of that city. I mention that to indicate to you the unique position that he holds among the credit men of that illustrious city.

I will, therefore, present to you on the subject, "The Benefits Merchants Derive from Retail Credit Classes in Universities," Mr. A. D. Sallee, Instructor of the Retail Credit Classes in the University of Pittsburgh. (Applause.)

MR. SALLEE: On account of the lateness of the hour, knowing that our friend, the Colonel, is a military man and likes to run things on schedule, I had decided, kind friends, to cut out my speech this time, but Providence has intervened and introduced a rain that will make it impossible for us to get over to the Tuller, so I am going to read the first half of the speech because there isn't anything in that.

If you want to know anything about the organization of a credit class, we have an executive secretary who will be very glad to give you the information.

The Code of Hammurabi, engraved on a cylinder of stone more than four thousand years ago, proves that the Babylonians of that day punished delinquent debtors by casting them in prison. Without credit there could be no debt, so the credit system must be more than 4,000 years old. In fact, it must be very much older, for the Code of Hammurabi was not written in an instant, but is rather the accumulation of the wisdom of the ages, and it is probable that credit was granted for ages before laws to punish delinquent debtors were enacted.

It is not likely that credit was asked or given in the Garden of Eden, for we are led to believe that all human wants were providentially met in that delightful spot. But the first long winter after that first hard Fall must have brought some needs that could be supplied only on a credit basis, and we may easily picture Mrs. Abel borrowing a quarter peck of lentils from Mrs. Cain on the promise she would return a pint of cottage cheese, in payment, as soon as her husband came back with the flock. This would be a credit transaction, and we must classify it as a retail transaction.

As the years waxed and waned, and grew into ages that became ever more aged, some remote ancestor of Abraham with a budding sense of merchandising, collected a stock of leeks and lentils, of cheese and sausage, and opened a grand emporium under the biggest tree in the village and offered his tempting wares to the ever-fickle public.

Of course he expected to trade at a profit, trading something from his stock for something the customer did not need, and he expected each transaction to stand by itself. But he would soon find some steady customer in need and would execute his end of the trade today and wait for the morrow for the customer to return something of greater value.

What system he may have used to keep a record of his charge accounts may never be known confidently, but it was probably the same as that of the small Cleveland merchant who had no ledger but who entered all charges against his customers only in the old-fashioned pass-book, and let the customer keep the book!

King Hammurabi's day may have known the credit man who "collected in cold blood" but in the earlier day the boss handled his own credits and there was no worry over the percentage of the previous month's accounts col-

lected, or the percentage of bad debt losses. In those days, gambling at credit granting was the sport of the merchant prince and not a science as broad as astronomy, as deep as psychology, as fascinating as electricity and as uncertain as the human heart. In those days the granting of credit was an evil to be shirked, and not a profession of which to be proud. In those days any merchant knew how, but to-day no one knows enough. In those days credit simply answered the cry of humanity in distress but in these days credit is the great business builder of the merchant, the life of transportation, the heart of finance, the foundation of civil government and the passport to the Pearly Gates.

It then, credit is of much importance, is it not well that we should study it in all its bearings and ramifications. Pittsburgh says it is well, and Pittsburgh has shown the way.

You all have these little cards (Holds up cards which have been distributed giving information regarding the Pittsburgh Retail Credit Class). That shows just exactly what Pittsburgh did do. You have a friend from Los Angeles who wants to tell us a little about credits, too, and I am not going to trespass on his time for a minute. I will just tell you that all the questions you will want to ask from now on are answered on this card.

We don't contend that this is the only way to organize and teach a credit man. We don't even say that it's the best way. We do say that it is a good way, a way that has been tried and has been proven to be successful. We realize in our town the importance of credit education. We realize the advantage to be secured through the education of all credit men everywhere and we want to do our part to contribute to the common good by showing you a standard that can be attained by giving you a plan that can be followed and by inviting you—yes, by urging you, to organize a credit class of your own and promote it in the best way possible in your community.

If you will do that, I feel that my time here has been very well spent. (Applause.)

PRESIDENT BLACKSTONE: It is a rare occasion on which one man will appear twice before the convention within a very short period, but we have on the schedule "The Retail Credit Class of the Associated Retail Credit Men of Los Angeles, Calif.", and it will be presented by Mr. J. W. Lewis. (Applause.)

RETAIL CREDIT SCHOOL.

(By J. W. Lewis, President Associated Retail Credit Men of Los Angeles.)

Credit Education to be properly dealt with at this time is a most difficult one, inasmuch as, in the language of the street, "There ain't no such animal." For years it has been our policy to "let George do it."

One of the serious handicaps now encountered in the promotion of Credit Education, and one which for some time will continue to be a problem, is the unavailability of a competent instructor. Credit men who have a wealth of experience and materials and who possess the personal qualifications, lack teaching experience. Credit education is still in its infancy and is quite uncharted. It is only within late years that the granting of credit has been upon what may properly be called a scientific basis, and though it may not yet have assumed the dignity of a full sized science, it must be admitted that the work of a well managed Credit Department is now conducted with a thoroughness of method and certainty of results which characterizes scientific processes in other lines of activity. One of the most important factors entering into the profitable management of any business is the rapidity with which capital can be turned and this is mainly dependent upon the soundness of credits and the promptness of collections.

In the old days of the hit and miss policy of gambling on human nature, it was impossible to foretell the results of business with any

degree of certainty, but the scientific methods and clean-cut principles of the credit office of today have changed this and have made it possible to conduct the business with a precision that forecasts gains or losses in per cents, and this gives confidence to managers and investors.

Crossing bridges before we come to them may indeed be foolish, but there is no question about the wisdom of knowing we are to cross them and preparing for it, even when they are miles ahead.

As perhaps many of you know, Los Angeles is credited with being the first city to experiment with a merchant-owned clearinghouse of ledger and credit data. On January 5, 1910, a corporation was formed whose capital stock was subscribed for by some of our far-sighted merchants and through that medium a privately-owned agency was taken over by outright purchase. Pioneering is, at best, arduous and coupled with the added problems which were presented, many of our steps in the light of our subsequent knowledge now appear to have been uncertain and perhaps unsound. However, policies were gradually being moulded, ideas crystallized and at last in the fall of 1919, we wove together the loose threads of our experience, etc., into a definite fabric of instructions. During the years 1918-1919, in which our accomplishment has been most rapid, there has stood out in particular two or three men who have been the consistent champions of various theories, all of which looked forward toward the betterment of the institution.

One of these (no doubt many of you know him), Mr. W. W. Weir, Credit Manager of A. Hamburger & Sons, and the President of the Retail Merchants' Credit Association (reporting bureau), was the original exponent of what was familiarly called the "R. M. C. A. School." The Retail Merchants Credit Association is owned and operated by the retail merchants of the city. It is not conducted for profit, but with its reporting and adjustment departments, the latter functioning as a Retail Board of Trade is maintained as clearing-house by and for the members. Mr. Weir first suggested the idea two or three years ago, and while it was at first treated with skepticism on the part of some of our credit people, through persistency he was finally able, with the co-operation of others whom he had from time to time convinced, to see his idea realized.

On the night of September 24, 1919, all of the members of this association met and devoted the entire evening to a discussion relative to the needs of such a school. A full course of study and instruction were outlined and placed under the jurisdiction of a committee which dealt with it just as the faculty of a college administers its affairs. The purpose as conceived was to analyze the theory of credit and its various applications, but especially to standardize the methods to be employed and the accumulation and extent of credit information; to illustrate and unfold the actual operations of this association so that not only those who sit on its Board of Directors but all its members including the clerks and assistants of credit departments would be informed as to the reason which underlies the proper systematic and accurate taking of an application, the necessity of frequent delay in investigating antecedents, the reason for free and whole-hearted co-operation and many of the other thoughts and ideals advocated by the National Association were also placed in the course of study.

One month later the first class was held, approximately 175 attended and the interest was so unusual that in November the attendance reached 235.

Only as an illustration of the manner in which this work was undertaken and carried out, the first lesson had to do with the most important thing perhaps of retail credit work, the taking of an intelligent application. The stage was arranged as an office, the standard application form adopted and used almost entirely by merchants of this city was reproduced on a large

blackboard and credit men were assigned the parts of applicants and interviewers—the applicant approaching the credit man without any preliminary rehearsal as naturally as such transactions occur in our everyday business. The only preliminary was the assignment to each of a situation or problem, the first hypothesis for instance being that the applicant was a wealthy widow residing at one of our tourist hosteries for the winter. An attempt was made to select from our credit managers those most skilled in the art of scientific interviewing and as questions and conversations were put and replied to, a volunteer in the role of secretary reproduced the resulting data on the blackboard. Upon the completion of the interview by the chairman of the evening a rapid-fire open forum or conference was conducted and it was our experience that with a little tactful handling the first evening the usual restraint and self-consciousness as characterized at such gatherings was held at a negligible minimum. Assistants entered into discussion as readily as did credit managers, the comments and criticisms were entirely constructive. The results we found to be surprising and far-reaching in effect. The various movements and lines of thought upon which our credit people had previously diverted were classified and standardized but perhaps of even greater value than the unity of thought which unquestionably will result from such study is the education of the under-graduates—the credit department assistants to whom we will have to look for the credit managers of tomorrow. It has been the habit for credit managers now to meet for some years at luncheons and other brief conferences and to discuss their problems, to exchange ideas, to give and to take, but very often these thoughts have not been taken back to their store with the result that their assistants are not nearly as well informed and no doubt deficient in interest and appreciation of the advantages of thorough co-operation and co-ordination.

Our own experience has been that the conduct of one of these educational classes if given proper support and publicity will also take the form of a propaganda carrying to the people of the community that credit is safeguarded and not granted in a trifling manner but extended only after an investigation is made and all of the facts and circumstances involved in each particular transaction properly weighed.

Summed up we find that our school broadened our knowledge, reduced our problems, increased our dignity and made better friends of those with whom we trade.

In conclusion, I would like to suggest that a uniform course of instruction be issued from our National Office, as I am certain that such co-ordination of principles and thought will result in the greatest good to the greatest number. By and with the aid of the National Association, I believe we can make the Educational Department a real progressive one. There are many plans that I might recommend, but it is largely a new field and yet one that promises great benefits to Credit Administration and to the future Credit Manager.

In the credit men of the country I believe that confidence may safely be placed that will "carry on" this work of Education. They can be trusted to confer another great benefit on all humankind, by being able to aid powerfully in dispensing justly and equitably the needs of a nation, through this perilous time of readjustment.

Announcements by Mr. Schick.

PRESIDENT BLACKSTONE: The meeting will stand adjourned until 2:25 this afternoon. Adjournment for luncheon.

TUESDAY AFTERNOON SESSION.
The convention called to order at 2:30 o'clock by President Blackstone.
Singing by the J. L. Hudson Company Quartette.

PRESIDENT BLACKSTONE: One of the most important committees of this Association is that

on Credit Literature. We have as the Chairman of that Committee one of the original organizers of the Association. The report for this Committee will be presented by its Chairman, Mr. R. H. Poindexter, of Nashville, Tenn. (Applause).

Mr. Poindexter reads report of Committee.

Report of Credit Literature Committee of the Retail Credit Men's National Association, Detroit Convention, August, 1920.

Mr. President, Ladies and Gentlemen:

Five or six months ago our Secretary wrote me that you, Mr. President, had instructed him to ask me to accept the Chairmanship of the Literature Committee. To be frank with you, I did not have a very clear idea as to what were the duties of this Committee. The name sounds just a little like we would have to write things or get some other fellow to. I decided to tackle it, as I knew I could depend on my friend Marr to write anything from a paper on bankruptcy to a book on medical jurisprudence.

I answered our Secretary something like this: "Dave, I will take the job, but what the devil am I supposed to do?"

In answer to my letter he wrote me that I was supposed to get data on Pay Up Campaigns —get a collection of credit forms, collection letters, etc., and supply them to Credit Men making inquiries for such things. Several hundred letters were immediately sent out asking for help; and to help the work along our Secretary ran a page notice in the April "Credit World" asking the Credit Men to help this Committee by sending to it the forms used in their offices, and copies of all ads used in Pay Up Campaigns, or used to educate the public to pay their bills promptly.

I soon began to receive inquiries for credit forms, collection letters, and information on Pay Up Campaigns. Found it rather difficult to help them, as the only forms I had was an album sent me soon after the Cleveland convention, that was made up by the Cleveland Association—some of these I had copied and sent out.

About the first of June I attended a convention of Controllers in Cleveland where I met a number of Credit Men and quite a number sent me their forms on their return home. A few days later I had the pleasure of seeing our Secretary, and after telling him my troubles he immediately got busy, and the forms have been coming in; in sufficient quantities to enable us to meet all requests and to bring a good collection to this convention.

This is one of the most important committees and it can be very helpful to the members of this association if it is properly worked and the members will co-operate by sending in their office forms and keeping the committee informed on all its activities.

Much waste could be avoided if the officers of this association can allow this committee sufficient funds to make up a number of small albums containing forms, advertisements, etc., to be furnished members wanting them for reference; to be returned to say 10 or 15 days—a record could be kept and this association next year could tell just how much service this committee had rendered the members.

You will find on exhibition four albums:

One—Application blanks, ledger and statement forms.

One—Miscellaneous forms.

One—Collection letters.

One—Advertising copy and minutes of associations holding weekly luncheons.

If the delegates will take time to go through this collection no doubt but they will find something useful. Would suggest you take paper and pencil and copy such forms and ads as you may think will help you when you return to your desks.

I want to especially call your attention to album containing advertising copy and minutes of associations holding weekly luncheons. A

discussion of ads, in Pay Up Campaigns I am sure will be helpful to us. One member of the association some time ago wrote regarding these campaigns gave six stores in six different cities; two of the cities had run advertising campaigns; four had not. The percentage of collection for the two stores in the cities where they had had the campaigns were better than the other four; one of the two cities running the ads had been running longer and its percentage was better than the other. He added, "It seems fair to conclude that such publicity is advantageous."

Would suggest that all associations holding weekly luncheons would arrange to exchange minutes with each other. It is a safe bet that associations holding such meetings are going to be the real live wires of this organization.

Thought possibly catalogues of concerns furnishing office supplies might interest some of our members. There were sent out over 100 letters requesting catalogues to exhibit at this convention and incidentally mentioning the fact that the "Credit World" would be a good medium in which to advertise. It seemed, however, that most of them were having a greater demand for their wares just at that time than they could supply.

You will find on display catalogues received. We received a number of requests for books on Retail Credit work and Retail Credit Accounting. This is a very wide field and I wonder why some wide-awake publisher has not gotten the co-operation of some of our prominent Credit Men and published something this association could endorse that would be a real help to its members.

In the May "Credit World" our Secretary was kind enough to print a questionnaire. Thought if the members would answer this some valuable information could be compiled, but such a small number were filled out the idea was abandoned. Some of the ones received were from Secretaries of Associations answering for members. To make it of value the Credit Men should each answer it.

The President has given some time for discussion. Would like to hear from the members on the following:

How can this Committee be most useful to the members of this Association?

Do you know of any book or books on Retail Credit work or Retail Accounting?

What means would you suggest to get such books on the market?

What do you think of local Associations holding weekly luncheons; of what benefit are they to their members?

What do you think of newspaper advertising as a medium for educating the people to pay their bills promptly?

What do you think of using inserts in your statements; any objection to their use?

Do you think any worth-while information could be compiled if a questionnaire, as appeared in the May "Credit World" were answered by a large number of our Credit Men?

What would be the objection to answering such questionnaire? If any, will you suggest some question there could be no objection to which would give us valuable information to guide us in our work?

We want to thank every member of this Association for the help given this Committee—and our President and Secretary especially deserve our thanks for impressing on the members the need of this Committee for their cooperation.

CREDIT LITERATURE COMMITTEE,
R. H. Poindexter, Chairman.

PRESIDENT BLACKSTONE: The attention of the delegates is called to the paragraph on the program of Tuesday afternoon relating to an exhibit of forms. These forms are from all sections of the country and in previous conventions have been of the most absorbing interest.

to many of the delegates, I know, because I have been looking around at them at the same time that many others were and on several occasions the crowd around the forms at one or two conventions was so great that I had to go back at a later period.

Consequently, I think it proper to call your attention to the forms that have been collected by Mr. Poindexter and I also draw attention to the ultra-importance of the work that can be accomplished by a Committee on Credit Literature in this Association if the Chairman of the Committee receives the co-operation from the membership that he anticipates and that the subject warrants.

There is an association in the United States that in many phases of its work can be correctly stated as being conjointly interested with the Retail Credit Men's National Association in many things and it has always been an honor to this association, whenever it has been possible, to have attend our conventions, the Secretary of that Association who is known, possibly, to more retail merchants than any other man in the United States.

By his special request, I am transferring his address from tomorrow afternoon to this period in our session. I therefore present to you Mr. Lew Hahn of the National Dry Goods Association. Mr. Hahn. (Applause.)

MR. HAHN. Mr. Chairman, Ladies and Gentlemen of the Convention: It is rather an anxious moment when a speaker is being introduced. I know the speaker feels anxious and I have reason to believe that the audience frequently is perhaps more anxious than the speaker, but somehow or other, as Col. Blackstone introduced me, I couldn't feel that he was talking about me so I missed some of that nervousness.

I find in this matter of addressing an audience that quite frequently it is very easy for one to forget the thing that he wishes to say, that he has considered for a long time in advance, and which he feels that he should say on the occasion, and quite without effort on his part there jump from his lips statements that, if he had considered them carefully before making them, would never have been made.

Before such a thing can overtake me, I want to express the immense amount of admiration and respect that I have for the organization that it is now my privilege to address. It was my privilege on several occasions to attend conventions of the Retail Credit Men's National Association at a time when I was not connected with organization work, when I was in the trade newspaper field, and when it suddenly became my lot to take over the directing of the National Retail Dry Goods Association, I carried with me a very distinct impression of the splendidly business-like conventions of this Association which I had attended, and I have always felt that one of the charges that could be and should be made against the National Retail Dry Goods Association was the fact that I had a distinct recollection upon several occasions of attending the meetings of this Association and hearing a committee that had been appointed by your association for the purpose of attempting to bring about co-operative relations between your organization and the National Retail Dry Goods Association report unfailingly that the committee had endeavored to get in touch with the National Retail Dry Goods Association and that unfortunately, whoever had to be consulted, was too busy to give much consideration to the thing.

I carried with me, in taking over the work of the National Retail Dry Goods Association, a definite determination that so far as lay within my power the National Retail Dry Goods Association should be ready at all times to co-operate with the Retail Credit Men's National Association. (Applause.)

I find, ladies and gentlemen, that I am expected to talk about the National Retail Dry Goods Association, which rather gives me the opportunity to blow our own horn. I don't

like to do that but that is the subject that has been assigned me and one upon which I am very familiar and therefore I am going to talk a little about the National Retail Dry Goods Association.

I presume you'd like to know what we are driving at and how we hope to get it. Well, the National Retail Dry Goods Association has been for a number of years, since its inception, a rather dignified organization of merchants, the principals in the stores themselves. We have had always a fairly representative membership, in the fact that we have had in our membership many of the largest stores in the country and some of the middle sized and some of the small, but we were not, we never have been and we are not yet truly national in the sense that we have within our membership the majority of the merchants of this country who are eligible to membership. We haven't got that and I'm afraid it will be a long time before we may have, but we are working hard to bring that to be.

One of the things that I found about the National Retail Dry Goods Association—and I didn't learn this in a minute, but it came from watching it through a number of years—was the fact that the heads of the houses held memberships in the Association and that the head of a large store is seldom a specialist. It may be that in conducting the affairs of the store he turns his attention perhaps to the problems of management or possibly to the financial side or here and there to the merchandising, but he is seldom a specialist.

In the days gone by, before he had his own business and before he built it to a considerable size, he may have been a specialist, he may have been a shark on merchandise or on credits or anything that you may wish to bring forward, but in the years that have intervened while he has been getting the view of the business as a whole, he has lost something of that sharp sense of definition of the different parts of the work that have to be committed to specialists.

The National Retail Dry Goods Association was made up of the heads of the house and it was a nice, dignified organization. When it spoke and found some space in the newspapers, people said, "That represents the dry goods trade," and took it as being the statement of the dry goods trade.

But in the meantime, all the men into whose hands had been committed the great tasks of carrying on the specialized activity of the store, the credits, advertising, merchandising, the management, all these men who had that sharp focus upon the particular parts of the operations of the store which, taken as a whole, made up the store were led off into other directions which led away from the National Retail Dry Goods Association and between which there was no connection by reason of the fact that that organization was the dignified, sober-minded heads of the stores. They'd meet together, they'd discuss problems, the head of this store would get up and say that he thought about something such-and-such, but I'm afraid that what he thought was not at all what the men further down the line carrying on the specialized activities of the store thought.

And it seemed to me that one of the things we needed most of all was to arrange some kind of a plan whereby we could bring within the folds of the Association that fine experience and brains and knowledge and ability that was being drawn off into other channels to other organizations.

I used to go to the convention of the Associated Advertising Clubs of the World and there they had a small departmental of retailers, and I used to find that when retail subjects were discussed that the gathering was of such a mixed nature, here there'd be an advertising man representing a hardware concern, here there'd be two or three men representing grocers or druggists and here there'd be a few dry goods men, and there wasn't much time to get right down to the discussion of the intimate

problems that had to do with one or other trade; they had to be all hashed out as a general proposition, and it struck me that if the National Retail Dry Goods Association (this was in the days before I had any thought of being actively connected with the Association) ought to find some means whereby we could draw into the membership of the Association the men who were trying to find light, trying to express the ideas they had through the only vehicle, the only association open to them, and so, Mr. Chairman, we presented to our membership, shortly after I went with the Association, what we were pleased to call our expansion plans, which meant a new lease of life and larger activities for the Association.

* We tried very hard to get over the idea of an associate membership whereby the executives in our member stores might upon nomination by the heads of their houses become associate members in the National Retail Dry Goods Association and that they might, within their own lines, form groups which groups would be wholly autonomous but which should be linked up to the National Retail Dry Goods Association so that if we had a problem to discuss that had to do with advertising, we'd have advertising men that could talk with experience and knowledge and give us their ideas so that it might come forth as a policy of the Association.

At that time, because of the dignified aspect of the Association whereby many of the heads of houses thought it might not be quite as dignified to have their executives and associates in the association as they might wish, we couldn't get it over but more recently we succeeded in getting that plan over and we have organized two associate membership groups; one was the store controllers' group.

We had within the Association a Taxation Committee, and it is interesting as bearing upon the point that I have been trying to bring out, the fact that after all the head of the house, as smart and as fine and as big as he may be, frequently is not the man to deal with the specialized problems—we had a committee known as the Taxation Committee. It was headed by Mr. Carlos B. Clark, the controller of the J. L. Hudson Co., and there were on the committee such men as Jay Iglaeuer of Halle Bros., Mr. McKinlay of the Marshall Field store in Chicago; Mr. Maurcadato of Franklin-Simon Company in New York; Mr. John Jackson, of Strawbridge & Clothier, of Philadelphia; Mr. Kendal of the L. S. Ayers Co., of Indianapolis, and such men as that.

That Taxation Committee proved to be the best agency for the good of our craft that we had. Within that little group we had ability, we had experience, we had a determination to go after the things that were wanted and to "put it over" that we never could possibly have had in any other way, and so we were successful in using the Taxation Committee. Not one of those men was an actual member of the Association. They were executives in member stores, and we pointed that as an example of what we were driving at in trying to get across this associate membership idea.

We got it across and the Controllers' Congress was the first one formed. They recently had their convention in Cleveland in June. They have a membership now of something like seven hundred controllers and those men are getting down to brass tacks, are taking up the very important work of standardizing store accounting.

I don't know whether you men in your work have occasion to think about it, but you know the income taxes and excess profits taxes, the plan of taxation adopted by the Federal Government, has made the subject of accounting of special interest not only to the stores but to the Government. The Government expects you to pay a certain proportion of your profits, a certain proportion of your income, to the Federal Government and the Government wants to know how you are figuring your profits and the time is very close at hand when, if something is not done by retailers themselves to establish a standardized form of accounting so

that when you speak of a particular item in accounting the stores are all speaking of the same thing and the Government understands it, the time is soon coming when if the retailers themselves do not do that, the Government will do it, it will be done by Government accountants who probably, in performing the task, will have more in mind the thought of how the thing will affect the Government than how it will affect the stores.

You can see there is a tremendous chance for a great piece of work there and the Controllers' Congress of the National Retail Dry Goods Association is buckling down to the job of putting over that job. At the convention in Cleveland they paved the way for the standardization of accounting in retail dry goods stores, and I haven't a bit of doubt that from the work of that splendid group there is going to come a great contribution to the retail trade.

We have a second group made up of traffic managers. You know the taking over of the railroads by the Government and the subsequent giving them back in the terrible shape in which the railroads are and the need of allowing the Government to increase rates, transportation rates, as tremendously as they have recently been increased, brings forth all kinds of problems that have to do with transportation, and those problems are further complicated by the labor situation, and so we have had formed a traffic manager group. These men are getting together within the National Retail Dry Goods Association, addressing themselves definitely to the work of solving the problems within their sphere that confront retail dry goods merchants.

But now those associate groups are not in any way in opposition with any existing association. There is, I believe, a National Traffic Men's Association. There isn't anything that will prevent the individual traffic managers who are members of the traffic group from holding membership or continuing to hold membership in the National Traffic Men's Association. If there were an association of accountants or store controllers, there would be no arrangement in our Association to prevent them holding membership in that.

We shall form groups from time to time, but we have no thought (and I say this specifically because of a little statement that appeared in your President's report this morning in which he quoted a report that appeared in Women's Wear to the effect that the National Retail Dry Goods Association was about to build state and local retail credit groups of doing any such thing, but we do want to hold out our hands to the National Credit Men's Association and ask you to Join with us and help us in whatever we can do that will be for our mutual benefit, and wherever we find that there is an organization that is strong and fit and right, as I believe your Association is, we shall not in any way interfere or compete or oppose it in any way.

I don't know that we ever shall even try to form a group of credit men in our Association. I have been approached by men who are credit men in department stores and who, seeing this group idea going through, said, "Why don't you form a group of credit men?" and my reply has been, "You fellows have got a bully good national association of your own; go ahead and build it!" (Applause.)

After all, gentlemen, the great big crying need that faces all of us is how can we effectively organize our retail trade? You know that the retail trade has been subjected to all kinds of criticism. You know quite recently that the Government has gone into the business of vilifying and decrying the calling of the retail distributor. You know the difficulties that some of us have had to face from provisions made in the Lever law and you know that retailers of good standing, men of reputation in their communities, men who have always enjoyed public respect, men who from their faithful, consistent, steady trading operations have never drawn enough profits to make a tremendous fortune, have been dragged forth, brought into court

and indicted for profiteering, and you know that it is necessary for retailers to be able to put before the public a true conception of the service of retail distribution.

I don't know, Mr. President, whether I am getting too far astray from the subject or taking too much time, but it seems to me we never have had the proper conception of distribution. I was thinking on this subject the other day and it struck me that you see the service of distribution and the value of distribution summed up in something that has been familiar to every man and every woman in this room from childhood and that is the banana. There isn't a man or woman in this room who isn't entirely familiar with the taste and appearance of a banana and yet I wager that not ten men or ten women in this room ever saw a banana growing.

How did we get the banana? We got it through distribution. It wouldn't make a bit of difference if the banana crop of the tropics could be increased a hundred fold if we didn't have this great organized network of trade that brings things from the places where they are produced and put them at the disposal of the people who want them at particular times. These things wouldn't be worth anything to us if we didn't have that system of distribution.

I know that years ago when I had more time than I find I have now to read books and things that deal with such abstruse subjects as Socialism, I remember there wasn't a writer on Socialism that didn't feel and express the feeling that the retail distributor was a parasite. He took finished commodities, that the manufacturer or grower or producer had turned out; he purchased them at a small price and charged a fat profit and handed them on to the community without having done a thing to them; and every Socialistic reformer in those days was, and I think they still are, anxious to do away with retail distribution. They have some kind of a feeling that they can put something in its place that is better.

Well, if they can, men, we've got to be prepared to accept it. If anybody can come forward with a system of distribution that will be more economical, that will be cheaper, that will be more satisfactory, that will place a lesser fee for the service performed which the public must pay than the present system of distribution, we've got to get out of the trades we are in and get into the new trade, but I want to call your attention to the fact that our systems of business are systems that have been handed on to us. The present system of distribution is the logical outcome, it is the scientific outcome, you might say, of systems that were originated generations ago. They came on to us, we didn't make them, we aren't responsible for them, but we must improve on them as time goes on.

In that regard I think I come to a point that is very close to your own experience. You know the American people have always been notoriously wasteful. I think more things have been said about what a world scandal the American garbage pail is than most other things that come in for a good, sound drubbing. We have gone lightly on our way because we have been possessed of the great resources, opportunity has been open and free to every man, and people have come along so amazingly in this country that that system has been encouraged by those very facts and then we came to the war and we got into the thing with the other nations that were in it, we got mixed up with international affairs; we will never probably get unmixed, that is an omelette that we can't unscramble, and the result is that in this era of high prices the American people have had to stop and think a little bit in their mad course of extravagance and try to practice economy, and as a result there is a decided, an unmistakable call for greater economy in retail distribution.

That economy must be found and we must find it. I don't believe anybody outside of our trade can find it for us. I don't think they can hand us any systems, I don't think the

Government can employ experts enough who can dope out new plans for distribution to wish upon the retail trade that will be of any good. I think we must find them ourselves, and I think it must be with every man on his job earnestly working to solve the problem of greater economy, and I believe upon the retail credit men of the country there devolves a particular responsibility.

I think one of the things that has tempted us to wastefulness in this country is the fact that the retail credits have been organized so carefully with an almost certainty that the losses will not exceed a certain percentage, that men and women have been tempted to buy things that they could do without and if you men could tighten up a little in your credits and keep people from plunging in on that old, foolish, extravagant course, that you will have performed a definite service to the retail trade.

May I speak for just a moment on two other subjects connected with the Association? We have a bureau at Washington, we have an office in the Munsey Building presided over by Mr. Harold R. Young, our Washington Secretary, which has been the source of a great deal of benefit in our trade. Mr. Young stands particularly well in Washington, has had a great deal of experience with a great many lawmakers there and we have been able to do a great deal with the retail trade through Mr. Young's office. We keep in touch with things going on down there and watch things carefully.

I think at first it is the impulse of a man who tackles a job of this kind that every time a new bill is introduced in the House or Senate to immediately get up a big protest and tell people the country is going to the dogs if that piece of legislation is passed, but we have learned through experience that that isn't the best way to do things. We have learned that when a bill is introduced that there are certain bills that are just introduced perhaps for political effect and they die and are gone like the fireworks that we see on the 4th of July; they make a great fizz and sizzle at the moment and then die out in darkness and ever so many of the bills that astonish us by the radical tone of them and the burdens we so certainly see they would place upon retail trade, is nothing but a glow in the dark and then darkness again, and it frequently happens that if we make the mistake of running to Washington with a great delegation and opposing a bill which in the ordinary course of events never would pass, we lend strength to that bill. People say, "Well, here we have made a thrust in the dark and somebody has been hurt. It's a good thing to put it through, these fellows wouldn't be hollering if it wasn't going to hurt their interests and if it's going to hurt their interests, it's going to be good for the public."

When I hear of a bill being introduced, I send word to Mr. Young and find out who introduced it and whether he introduced it on his own or whether there seems to be some support behind it. In two or three days I get a report from Mr. Young as to just what that bill means and if there seems to be nothing behind it, we simply watch it and let it go. On the other hand, if there seems to be strength for it, we try to get busy and see how much opposition we can stir up in Washington. At a last resort, if it seems the thing is riding on a wave of popular fancy and some radical-minded people in Congress will try to put the thing over, we resort to the protest and flash our word through the Association of Retail Secretaries (which has been very, very helpful in our work) and to our individual members and such organizations as will co-operate with us, asking them to send protests to Washington, and it has happened in more than one instance that we have been able to snow under a thing of that kind.

I might mention the Sigel Bill, to compel retailers to mark cost on all merchandise. We buried that thing under a storm of protest that rolled in by letter and telegram and personal delegations until there was no chance to get that bill out of committee. They found they

Satisfied Users Are of the National Electrical

ALABAMA

Name of Firm.	City	No. of Phones
Loveman, Joseph & Loeb.....	Birmingham ..	33
C. J. Gayfer Co.....	Mobile.....	12

ARIZONA

Frankenberg Bros. & Newman.....	Bisbee.....	3
The Boston Store.....	Phoenix.....	4
Chas. Korrick.....	".....	10
Albert Steinfeld & Co.....	Tucson.....	10

ARKANSAS

Pfeiffer Bros.....	Little Rock....	4
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CALIFORNIA

Hochheimer & Co.....	Bakersfield....	13
A. Weill.....	".....	8
Daly Bros.....	Eureka.....	14
J. F. Hink & Sons Co.....	".....	8
E. Gottschalk & Co.....	Fresno.....	20
Roos Bros.....	".....	6
The Mercantile Co.....	Long Beach..	14
Broadway Department Store.....	Los Angeles..	46
Desmond's	".....	10
A. Fusenot Co. (Ville de Paris).....	".....	40
J. W. Robinson.....	".....	45
C. H. Wolfelt & Co.....	".....	3
H. C. Capwell.....	Oakland.....	77
Roos Bros.....	".....	10
A. Schlueter & Co.....	".....	9
Taft & Pennoyer.....	".....	25
Geo. N. Reynolds Co.....	Riverside....	10
City of Paris.....	San Francisco	72
Livingston Bros.....	".....	25
Marks Bros.....	".....	8
Philadelphia Shoe Store.....	".....	4
Roos Bros.....	".....	10
Shreve & Co. (Jewelers).....	".....	10
Raphael Weill & Co.....	".....	160
(The White House).....		

A PARTIAL LIST
OF THE USERS OF
N. C. R.
"Charge Phones"

CALIFORNIA—Continued

Name of Firm.	No. of Phones
Bauman Auto Supply Co.....	Sacramento.... 4
Holzwasser's, Inc.....	San Diego.... 50
Manheim & Mazor.....	Oakland..... 8

COLORADO

The Gano Downs Co.....	Denver..... 9
Knight & Campbell.....	"..... 5
A. T. Lewis & Son D. G. Co.....	"..... 49

CONNECTICUT

The Luke Horsfall Co.....	Hartford..... 6
Wise, Smith & Co.....	"..... 40
Rockwell & Co.....	Bridgeport .. 10

DISTRICT OF COLUMBIA

The Hecht Co.....	Washington... 10
Frank R. Jelleff, Inc.....	"..... 16
S. Kann, Sons & Co.....	"..... 89
Lansburgh & Bro.....	"..... 55
The Palais Royal.....	"..... 54
Woodward & Lothrop, Inc.....	"..... 113
Parker-Bridgett Co.....	"..... 13
S. N. Meyer, Inc.....	"..... 4
M. Brooks & Co.....	"..... 10

FLORIDA

Cohen Bros.....	Jacksonville .. 39
Levy's	" .. 3
Maas Bros.....	Tampa..... 15

Speed ~



the Best Endorsement Credit System

GEORGIA

Name of Firm.	City	No. of Phones
J. P. Allen & Co.	Atlanta	6
Eiseman's	"	4
Davison, Paxon, Stokes Co.	"	25
Carter Electric Co.	"	2
Ginsburg, Kirshon & Ginsburg	"	4
J. M. High Co.	"	24
King Hardware Co.	"	5
Parks-Chambers-Harwick Co.	"	5
M. Rich & Bros. Co.	"	35
J. P. Allen Co.	Macon	6
Burden, Smith & Co.	"	9

IDAHO

Name of Firm.	City	No. of Phones
Falg Merc. Co.	Boise	20
The Mode, Ltd.	"	13
Morrow Merc. Co.	Coeur d'Alene	6
R. C. Beach, Ltd.	Lewiston	7
Potlatch Lumber Co.	Potlatch	11
Idaho Department Store	Twin Falls	7
Morrow Merc. Co.	Wallace	6

ILLINOIS

A. Livingston & Sons	Bloomington	20
The Fair	Chicago	135
Marshall, Field & Co.	"	229
F. E. Foster & Co.	"	6
The Hub	"	48
Loren, Miller & Co.	"	9
Maurice L. Rothschild	"	11
Wm. Gushard D. G. Co.	Decatur	15
P. A. Bergner & Co.	Peoria	33
Block & Kuhl Co.	"	28
C. V. Weise Co.	Rockford	9
Young & McCombs	Rock Island	14
L. S. McCabe Co.	"	9

INDIANA

H. P. Wasson & Co.	Indianapolis	28
Wiler & Wise	Logansport	10
W. A. McNaughton & Co.	Muncie	17
John Chess Ellsworth	South Bend	10
A. Herz	Terre Haute	17
The Specht-Finney Co.	Valparaiso	6

IOWA

The Killian Co.	Cedar Rapids	17
Harned & Von Maur, Inc.	Davenport	19
J. H. C. Peterson's Sons	"	11
Younker Bros.	Des Moines	7
J. F. Stampfer Co.	Dubuque	5
Davidson Bros.	Sioux City	40



KANSAS

Name of Firm.	City	No. of Phones
The Newman Dry Goods Co.	Arkansas City	9
The Warren M. Crosby Co.	Topeka	20
The Geo. Innes Co.	Wichita	20
Rorabaugh D. G. Co.	"	14
Cohn-Hinkle D. G. Co.	"	16
Movicar-Howard-Millhaust Co.	"	1

KENTUCKY

J. R. Coppin Co.	Covington	10
E. Guthrie Co.	Paducah	4

LOUISIANA

Leon Godchaux Clothing Co.	New Orleans	7
D. H. Holmes Co.	"	26
Maison Blanche Co., Ltd.	"	28
Marks Isaacs	"	13

MARYLAND

Consolidated Gas, Electric Light & Power Co.	Baltimore	7
Hochschild, Kohn Co.	"	51
The Hub	"	21
The Fleisher Co.	Hagerstown	7

MASSACHUSETTS

Chandler & Co., Inc.	Boston	26
C. F. Hovey Co.	"	60
Jordan Marsh Co.	"	135
Shepard, Norwell Co.	"	35
Thresher Bros.	"	9
E. S. Brown Co.	Fall River	27
Albert Steiger Co.	Holyoke	18
Forbes & Wallace	Springfield	110
Albert Steiger Co.	"	50

(Continued on next page)

Accuracy ~ Economy . . .

Satisfied Users Are the Best of the National Electrical Credit

MICHIGAN

Name of Firm.	City	No. of Phones
Toeller-Grant Co.	Battle Creek	12
S. L. Bird & Son	Detroit	6
Crowley-Milner & Co.	"	97
R. H. Fyfe (Shoes)	"	10
J. L. Hudson Co.	"	20
The Norbro Shop	"	3
Canfield-Pearce Co. (Wall Paper & Paints)	Grand Rapids	4
B. S. Chapin, Inc.	"	3
Rindge & Kukel	"	2
Paul Steketee Co.	"	42
Wurzburg D. G. Co.	"	34
Gilmore Bros.	Kalamazoo	39
J. W. Knapp Co.	Lansing	9

MINNESOTA

Duluth Glass Block Store	Duluth	22
E. E. Atkinson	Minneapolis	10
L. S. Donaldson Co.	"	92
The Dayton Co.	"	97
Plymouth Clothing Co.	"	10
Powers Merc. Co.	"	57
M. L. Rothschild	"	9
Young & Quinlan	"	6
J. W. Thomas & Co.	"	18
Fields, Inc.	"	4
Emporium Merc. Co.	St. Paul	36
The Golden Rule	"	75
Schuneman & Evans	"	38
The Interstate Merc. Co.	"	8

MISSISSIPPI

R. E. Kennington Co.	Jackson	7
S. J. Johnson	"	4

MISSOURI

Newman Merc. Co.	Joplin	7
Ramsay D. G. Co.	"	6
Craddock Merc. Co.	Kansas City	1
J. W. Jenkins Sons Music Co.	"	3
Jones Store Co.	"	56
Geo. P. Peck D. G. Co.	"	30
Schmelzer Arms Co.	"	3
Woolf Bros.	"	6
Chas. H. Heer D. G. Co.	Springfield	22
Townsend-Euberrhein Clothing Co.	St. Joseph	6

NEBRASKA

Magee Clothing Co.	Lincoln	6
Courtney & Co.	Omaha	10
Nebraska Power Co.	"	2

NEW JERSEY

Steinbach Co.	Asbury Park	15
Braunstein Blatt Co.	Atlantic City	22
Goerke, Kirch Co.	Elizabeth	12

NEW YORK

Name of Firm.	City	No. of Phones
Steffel Bros.	Albany	7
W. M. Whitney & Co.	"	32
Sisson Bros., Welden Co.	Binghamton	21
Oppenheim, Collins & Co.	Brooklyn	7
Hens & Kelly Co.	Buffalo	29
Market Bank of Buffalo	"	5
Oppenheim, Collins & Co.	"	4
Walbridge & Co. (Hardware)	"	20
Union Stock Yard Bank	"	5
Lord & Taylor	New York	110
A. A. Vantine & Co.	"	8
Oppenheim, Collins & Co.	"	14
Best & Co.	"	1
The Duffy-Powers Co.	Rochester	54
E. W. Edwards & Son	"	33
B. Forman Co.	"	11
Dey Brothers & Co.	Syracuse	35
E. W. Edwards & Co.	"	48
Chappell-Dyer Co.	"	20
John A. Roberts & Son	Utica	35
Prince George Hotel	New York	3

NORTH CAROLINA

S. Lipinsky Sons & Co.	Asheville	8
S. Lipinsky Sons & Co.	Wilmington	6

OHIO

Hanke Bros.	Cincinnati	15
Burkhardt Bros. Co.	"	6
The Mabley & Carew Co.	"	50
Smith, Kasson Co.	"	10
The Ames Co.	Cleveland	6
The Bailey Co.	"	57
B. R. Baker Cleveland Co.	"	11
The May Co.	"	170
The Oppenheim-Collins Co.	"	6
Stearn & Co.	"	16
Justice & Parker	Columbus	1
The F. & R. Lazarus Co.	"	40
A. E. Pitts Shoe Co.	"	2
The Union Company	"	11
The Elder & Johnston Co.	Dayton	47
The Rike-Kumler Co.	"	55
Carroll Dept. Store	Newark	8
The Fahien-Tehan Co.	Springfield	14
Edward Wren Co.	"	20
The Anderson Co.	Portsmouth	29
Lasalle & Koch	Toledo	61
Neuhause Bros. Co.	"	22
Mahoning National Bank	Youngstown	7
The Strouss-Hirshberg Co.	"	46
A. E. Starr Co.	Zanesville	5
H. H. Sturtevant Co.	"	13

Speed ~ Accuracy

Endorsement System



A Partial List of the Users of N. C. R. "Charge" Phones"

OKLAHOMA

Name of Firm.	City	No. of Phones
Calhoun Dry Goods Co.	Muskogee	10
Scott-Halliburton Co.	Oklahoma City	22
Osage Merc. Co.	Pawhuska	7

OREGON

Skallerud Dry Goods Co.	Astoria	6
Kilham Stationery Co.	Portland	7
Lipman, Wolfe & Co.	"	40
Olds, Wortman & Co.	"	53
The J. K. Gill Co.	"	7

PENNSYLVANIA

Penn Traffic Co.	Johnstown	20
Donovan Co.	Lancaster	5
Herr & Co.	"	8
Blaumers'	Philadelphia	12
Stewart's	"	5
Rosenbaum Co.	Pittsburgh	85
Oppenheim-Collins Co.	"	6
C. A. Verner Co.	"	4
Sampter Bros.	Scranton	10
Fowler-Dick & Walker	Wilkes-Barre	18
Isaac Long	"	10
Bush & Bull	Williamsport	18
Hershey Department Store	Hershey	10

RHODE ISLAND

Callender, McAuslan & Troup Co.	Providence	76
Dimond Co.	"	14
J. Samuels & Bro.	"	50
The Shepard Co.	"	55

SOUTH CAROLINA

Louis Cohen & Co.	Charleston	10
Jas. F. Condon & Sons	"	6
Kohn's	Columbia	3
D. W. Alderman's Sons Co.	Manning	8

SOUTH DAKOTA

Fantle Bros. Danforth Co.	Sioux Falls	16
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TENNESSEE

The H. P. King Co.	Bristol	14
Anderson-Dulin-Varnell Co.	Knoxville	21
The John Gerber Co.	Memphis	18
Phil A. Halle	"	13
J. Oppenheim	"	5
J. Summerfield	"	5
Cain, Sloan Co.	Nashville	20
Castner-Knott D. G. Co.	"	22
D. Loveman, Berger & Teitlebaum	"	15

TEXAS

E. M. Scarbrough & Sons	Austin	20
A. Harris & Co.	Dallas	20

TEXAS—Continued

Name of Firm.	City	No. of Phones
Nieman Marcus Co.	Dallas	10
Popular D. G. Co.	El Paso	23
W. C. Stripling	Ft. Worth	30
W. C. Munn Co.	Houston	34
Emil Blum Co.	San Antonio	4
Frank Bros.	"	3
Washer Bros.	"	9
T. W. Morse & Co.	Taylor	4
The Howell Store	Houston	6

UTAH

Paris Millinery Co.	Salt Lake City	17
Walker Bros. D. G. Co.	"	15

VIRGINIA

J. R. Milner Co.	Lynchburg	9
Ames & Bownley, Inc.	Norfolk	18
Miller, Rhodes & Swartz	"	11
Snyder's, Inc.	"	7
C. M. Guggenheim	Lynchburg	9
Smith & Welton	Norfolk	28
A. Rosenstock & Co.	Petersburg	12
The Cohen Co.	Richmond	25
Hancock D. G. Co.	Roanoke	8
S. H. Heironimus	"	20
Geo. McBain Co., Inc.	"	18
The Anderson Newcomb Co.	Huntington	6

WASHINGTON

Lowman & Hanford Co.	Seattle	12
(Books & Sta.)		
Culbertson, Grote, Rankin Co.	Spokane	30
John W. Graham & Co.	"	9
Spokane Dry Goods Co.	"	60
The Whitehouse Co.	"	16
Gardner & Co.	Walla Walla	8

WEST VIRGINIA

Coyle & Richardson	Charleston	6
Schwabe & May	"	5
Stone & Thomas	Wheeling	14
Jos. Schwab	Charleston	8

WISCONSIN

Keely, Neckerman, Kessenich	Madison	5
Kornhauser & Co.	"	5
The Boston Store	Milwaukee	35
Espenhai D. G. Co.	"	43
S. Heyman & Co.	Oshkosh	11

CANADA

The Hudson Bay Co.	Winnipeg, Man.	10
Murray-Kay, Ltd.	Toronto, Ont.	25
H. J. Daly Co.	Ottawa, Ont.	6
Henry Morgan & Co.	Montreal, Que.	28
The Paquet Co.	Quebec, Que.	18

~ Economy

had stirred up something that wasn't good and the bill has finally been withdrawn by Congressman Sigel.

Senator Jones of Washington introduced the same thing in a very similar form in the Senate. We got some friends in his home state to go and explain the thing to him and he saw things in the same light as we did and said, "I will withdraw my bill."

I want to say to the Retail Credit Men's National Association that our national office is at the disposal of anybody who wishes to use it. (Applause.) In all these things we are proceeding on a broad policy that here are certain jobs that have to be done on the part of the retail trade. We are not going to ask you whether you are members of the Association, whether you are in the trade and eligible to membership. If we can help you as time goes on, we want to help you.

There will be times when we come to you and ask for your help. We have, also, our Bureau of Research and Information. There we have established what I believe already is the best file of facts and figures and information on the retail business, business methods, that can be found perhaps anywhere in the United States and it's only a baby, it's growing, we're putting a lot of energy and a lot of money and a lot of effort into it and we hope to make it the finest and most complete reservoir of facts in any trade. That also will be at your disposal if you care to use it. You can write us and we will try to tell you and if we don't know we will try to go out and find out and then we will both know.

In that regard, I had letters from some of our members who wanted to know what was the average credit loss of the department stores. I presume we could get that by referring to our Controllers' Congress. They have the figures and they could give them to us, but I prefer that we should definitely place with your Association and request that you inform us what are your credit losses.

I understand there has been some vagueness about that, that credit men have apparently not known. Some members have seemed not to know it, and we'd like to know and I am going to, if I may, write a letter to your Secretary and ask that your Association give us information on that subject; and then, on the other hand, we will check that up among our own members and find out how the credit losses in our Association correspond with the average figures you have and we will place that information at your disposal.

I have taken a long time to say the things I hadn't intended to say when I got up here, but I do want to say this, that we want to work with you without suspicion, we want to hold out our hands to you, we want to welcome you into fellowship in the great job that much be done for the retail trade, and that is to make the public of the United States realize that the retailers are an earnest, hard-working, service-giving body of men and that they are not exacting from their communities unfair and unreasonable profits, that they do not live as parasites upon their communities and that they do want to do the right thing—that first of all they are public citizens with the public good in their mind.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: I believe that I voice the sense of the convention when I say to Mr. Hahn that we are delighted to learn that the rumor published is unfounded. When I read it with names mentioned therein, it impressed me as being of such importance to the retail trade that would warrant us in appointing a committee to confer with Mr. Hahn and such other officers of his association as he would deem proper so that there might be arranged between his association and ours the co-operative spirit that he has so aptly defined to us as already existing.

Consequently, I thank Mr. Hahn not only for his address to us this afternoon, but particularly

for the statement of such unqualified co-operation and good-fellowship as his association stands ready to offer us. (Applause.)

The next item on our program is "Charging Interest on Past Due Accounts." Mr. W. C. Slotsky, Secretary of the Associated Retailers of Sioux City, Iowa, was to present this subject. Mr. Slotsky is not here but he has prepared a paper which Mr. Himmelgard will read for him.

MR. HIMMELGARD: As a result of a recent throat operation, Mr. Slotsky's voice has been impaired and he is unable to deliver the message that he has to convey. He has asked me to do it for him, consequently, though I am reading this, it is the ideas of Mr. Slotsky.

Reads paper prepared by Mr. Slotsky.

With the present condition of the money market, and the rather dubious outlook for the future, the average man is doing his utmost to get his business in shape so that he will not be forced to borrow large sums of money at high rates of interest. To do this, there has been considerable price slashing, cutting down of stocks and extensive advertising programs.

The high cost of living has become the paramount issue with the American people. The era of extravagant buying has passed. In many lines the law of supply and demand is again in effect with its consequent lower prices, but this alone will not bring prices back to a normal standard. To do this the business men must cut down the excessive overhead which has increased so materially in the past few years. A big item, especially with money costing as high as eight per cent, is interest paid upon borrowed capital. This must be figured in on the cost and as a consequence raises the prices of commodities to the consumer. Thousands of dollars are borrowed even by the smaller business institution. Why is this necessary? The reason is that accounts standing on the books of the average concern represent a large percentage of the volume of business. Take for example a business carrying an average of \$100,000 on its books. It costs that business an average of \$6,000 a year in interest to carry it. This is charged to overhead and is a direct loss, which would be unnecessary if accounts were paid promptly.

But the question is asked, how can we do business without carrying large sums on our books? Wholesalers, jobbers and manufacturers have solved the problem successfully by giving discounts for cash or remittance in ten days. This is an incentive to the purchaser to pay his bills promptly. How often do we hear the remark by a successful merchant in discussing his business to the effect that he has discounted every bill. If the discount for cash is effective with the merchant, there is no reason why it can't be effective with the consumer. But the argument is advanced that if a discount is given for cash to the customers who have an account it will not be fair to the cash customers. The answer is that the same discount be given to the cash customers, on all purchases, and have certain days each month for paying discounts. The cash customers can preserve their slips and cash them on those days. This will tend to bring the people into the store and help promote business. This discount can be taken into consideration in pricing the goods, so there will be no loss to the merchant.

However, the merchant should go farther than this if he expects to educate the public in paying bills promptly. After thirty days, interest should be charged on accounts. There is no reason why the creditor shouldn't pay interest. If he doesn't it is charged to overhead and paid by the cash customer.

The argument may be advanced that customers will feel that inasmuch as they are paying interest there is no reason for paying the account when due. The answer is that when the customer sees that he is being charged interest he will realize that it is a penalty for his delay and he further will be informed that his credit is being impaired and that he will soon be in

the "slow" pay column. If it doesn't have this effect it is a good time to put that particular person on the C. O. D. list.

Merchants have long tried to solve the problem of how to make the so-called upper class pay its bills promptly. That class is notorious in neglecting to pay bills promptly. Credit managers throughout the country will admit that the so-called middle class are most prompt in paying their bills, and have more pride in keeping their credit good. The upper class should be penalized for its negligence. As it is, the cash customer and the middle class credit customer pays the interest on the accounts of the upper class because of its going into the overhead expense.

The idea of charging interest is not for the revenue that it will bring in, but in order to make it possible for the merchant to operate on smaller borrowed capital.

Unless some move is made to remedy the evils of credit, this country is bound to go onto a cash basis. In every town today there are cash stores with whom the merchant who gives credit has a difficult time in attempting to compete. It is admitted that extension of credit promotes buying. If we are going to maintain the system we must educate the public to the fact that bills must be paid promptly. Discount for cash or within ten days and an interest penalty on accounts which run longer than thirty days, will accomplish this. Where it doesn't have the desired effect, credit should be refused.

An argument advanced against this is that the added cost of bookkeeping will more than offset the return from the interest charged. We do not believe this to be true, but, conceding it for the purpose of argument, it isn't the amount realized from the interest that is sought. The idea is to encourage prompt payment of bills. If it will have that effect, the merchant can afford to pay the cost because the expense from this source will be counterbalanced by the saving in the maintenance of the credit department.

The demand for lower prices must be met. Unless steps are taken at once, the credit system must be abolished. Discounts for cash and penalties for slow pay will solve the problem. If it doesn't, eventually the cash store will put the stores who extend credit out of business. The good will of many of these stores is their greatest asset. The credit system judiciously handled builds up this asset. If you have to charge higher prices than your cash competitor you cannot long endure. Prompt payment of accounts is the only solution and we believe the method outlined will accomplish it. It is a success with the wholesaler and will in the same way be a success with the retailer.

A movement of this nature to be successful must be adopted throughout the country and the experience of each community used to assist in putting it into practice. If universally adopted, the public will soon see its advantages and co-operate with the merchants in making it successful.

PRESIDENT BLACKSTONE: One of the features at the various conventions has been the exhibit of forms and machines—by the gentlemen representing the manufacturing companies that are so indispensable to the proper accounting and authorizing and other systems of the retail trade.

In years gone by we made an attempt to have an address by each of the gentlemen who were managers of the exhibits at the convention. At this time, however, there are so many of them that it was deemed inadvisable to give them all forty or fifty minutes apiece, so we decided that it would be preferable to give them the opportunity to each introduce himself to the convention on the first day so that you would feel at perfect liberty to go to any of them for any information that you might have in mind relating to their own kind of business and if there is a competitor of the fellow you talk to, the other one has no objection to your going and talking to his competitor because he also feels that he can beat him in the end.

Now, ladies and gentlemen of the convention, I am going to ask each one of the managers of the exhibits to give his name and the company that he represents but not to make any speech.

Managers of exhibits introduce themselves.

One of the important things that is to come before this convention is the continuation of the good work that has been presented at previous conventions by the Fraudulent Bank Check Committee, and the next thing on our program is the report of the Committee, presentation of resolutions relating thereto, by our old friend, E. W. Nelson, of Lincoln, Neb., that famous place where Nelson comes from (laughter). Mr. Nelson. (Applause.)

Mr. Nelson presents report of the Committee which is written.

Report of Fraudulent Bank Check Committee to the Members of the Retail Credit Men's National Association.

In presenting this report, the Chairman desires to express special thanks to Mr. McMullen for his kindness in preparing a large portion thereof, in a spirit of good fellowship and helpfulness to the other members of the Committee.

Your Committee on Fraudulent Bank Checks begs to present the results of their investigations and deliberations under three classifications: First, the Present Condition Pertaining to Fraudulent Checks; second, the Desire on the Part of the Merchants and Bankers to Minimize the Evil; third, the Remedy, in an Attempt to Curtail the Stupendous Loss.

The Fraudulent Check Situation.

Fraudulent check artists can be classed under professional, semi-professional and amateurs. The number of professional check swindlers operating against banks, large business houses, etc., has rapidly increased from a few artists to a very large number. The semi-professional is one who has graduated from the amateur class, having been successful in obtaining money on "no account" checks and gradually extending operations to neighboring cities. His operations are confined to business houses by usually purchasing merchandise for a part of the check he offers. His operations cost the merchants large sums annually. The amateur is usually one who knows that identification on small checks is not generally required and does not resist the temptation to use a fictitious name to obtain coveted merchandise or cash.

The Desire to Minimize the Evil.

Your Committee firmly believes that merchants throughout the country earnestly desire that a practical plan be inaugurated to reduce these numerous losses. It is believed that the members of every Retail Credit Men's Association will heartily finance and support a plan, and that earnest co-operation can be obtained from the majority of banks, as well as mercantile houses.

The Remedy.

Your committee begs to suggest as a remedy for the Fraudulent Bank Check and Charge Check evil the following:

Identification: 1. That positive and absolute identification of all parties presenting bank checks, money orders, drafts, etc., for cash or merchandise, be required. Absolute identification is construed by us to mean that the person presenting the check or charging merchandise is positively known to be the one represented and responsible for the value of the instrument or amount of charge. Recognizing the fact that every fraud check operator must obtain some cash we recommend that extreme caution be used in identification where part cash is requested, with the purchase of merchandise.

No Protest: 2. That all members secure from their local banker and use on all out-of-town checks the special "No Protest" and "Wire Notice" rubber stamps authorized by the American Bankers' Association as follows:

"N. P. No....." Check bearing this stamp will not be protested.

"T. N. No....." When checks bearing this stamp are found to be fraudulent, the payee bank will notify your bank by wire and return check at once.

Lead Pencil and Alterations: 3. It is recommended that checks presented in person and written with lead pencil be discouraged to a point of being refused and that torn or altered checks be positively declined at all times.

Co-operation of Printers: 4. That the assistance and co-operation of every local printing establishment be secured to the end that, when orders are placed for the printing of checks by persons not positively known to have authority to place such an order, the Credit Association, or chairman of mercantile group, be apprised of the circumstances. This source of information has in many instances been the means of apprehending professional forgers.



E. W. NELSON
First Vice-President
LINCOLN, NEB.

Makers Warranty: 5. We recommend where necessary under the statute to prove the intent to defraud, that the following clause be placed on all counter checks for customers' use in the stores: "I hereby represent that the amount drawn for in this check is on deposit to my credit in the institution named hereon, free from any claims; and acknowledge that this amount has been paid to me upon my representation of such facts."

Assisting Customers to Make Out Checks: 6. We recommend that customers be required to fill in the **body** of each counter check given, as well as signing same. Checks made out by cashier or teller and merely signed by customer do not give sufficient evidence of handwriting for comparison in case the item is returned as bogus.

Quick Clearance: 7. That members make such changes in their method of depositing local checks that they will be in possession of returned check items not later than twenty-four hours after having received it from the customer. This can be accomplished by depositing all local checks with the bank on which they are drawn, accepting a cashier's check for same and demanding that return items be returned by the bank immediately after banking hours.

A number of firms can, if they desire, operate this plan collectively by sorting their checks to the various banks and having one employee collect all checks and deposit with the bank on which they are drawn, giving a special check to each merchant for the entire list of checks received, and receiving a cashier's check from each bank for the total deposits, which cashier's checks will be deposited against the checks given individual merchants. Under a collective plan this employee should be notified of returned items by each bank immediately after banking hours, which will be gathered by him and presented to the merchant from whom obtained.

Spreading Information: 8. That each local association or group of individual merchant members in each city arrange a practical method of informing each member quickly of the description and nature of the operation of each fraudulent check artist. This can be done either by bulletin issued from a central point or by phone. It has been found practical for the merchant defrauded to phone a central credit office, who phones several captains, each of whom calls from three to five lieutenants, they in turn calling from three to ten individual members, thus spreading the information within thirty minutes, to a large number of members.

Lack of Identification: 9. When a check is presented under unusual conditions and declined for lack of complete identification, or accepted and later found bad, the bureau will be immediately notified. The bureau will then have ample opportunity to notify the members, through the captains and lieutenants, of the transaction and give protection, or apprehend the offender, as the circumstances may warrant.

Out of Town Checks: 10. That when a check drawn on a bank in a nearby town is presented, the bureau be called for report. When no report can be given the bureau calls the banker (charging the call to the member) stating that customer is shopping in the city, having presented a check for such an amount and would possibly give others. Under those conditions, the banker will usually give a maximum amount that can be accepted and the bureau will be able to advise on continuous calls and have a record for future reference.

Special Officers: 11. That, where practicable, a special officer's commission be obtained and conferred upon such men as will assist in arresting criminals operating in his locality. It has been found advantageous to have at least one man on each side of the street in each busy block, empowered with police authority. Information to this effect being widely published, has a great tendency to decrease amateur check and charge frauds.

Advising National: 12. Until the zone plan is well established, that immediately upon receipt of a returned check which appears to be the operations of a professional or itinerant forger, a wire be sent to the National Headquarters giving description of the check and operator and such other information as can be supplied regarding the method of operation.

National Warnings: 13. That the National office, upon receipt of wire or bulletin notification, immediately wire the designated representative of local associations liable to be visited, followed by mail bulletin to the same parties and all members of the association in that locality. We find that it is advantageous to notify members in all parts of the country, as some of the professional check artists move about very rapidly. The Credit World should contain all information regarding professional check and charge frauds, republishing all bulletins issued and advising members of additional operations reported since first notice was given.

Local Investigation and Prosecution: 14. That each local association or mercantile group arrange a special prosecution fund for use, in the discretion of their local officers, in promptly investigating and prosecuting fraudulent bank check and charge check transgressors which

prosecutions should be handled locally, as far as practicable, or may be assisted by the Legal Department and prosecution fund of the National office in special cases, when deemed of national importance, with the approval of the Executive Secretary. The co-operation of local police departments and prosecuting attorneys is very desirable and can be obtained in most cases by the members working with such officers in a frank and friendly manner, with the assurance that the offended member will "stand pat" for prosecution instead of dropping the case, if settlement is made. The officers do not like being used as "collection agencies" on bad checks and this committee sincerely hopes that our members will support the law officers in good vigorous prosecutions, with no compromises. Jail sentences will put a stop to these fraud check habits quicker, and with less total losses, than any other course we can think of. It has been found desirable in some places to make suitable arrangements with local private detectives, attorneys, or merchants' bureau, to do all investigating, and assist in prosecution of professional offenders.

National Investigation and Prosecution: 15. That a national fund be created and disbursed under the direction and supervision of the Executive Secretary of the National Association for the purpose of employing investigators to assist in apprehending and prosecuting fraudulent bank check and charge check transgressors, when, in their judgment, such action should be taken by the National Association, as well as giving liberal assistance in locating criminals and in their prosecution, even to the extent of prosecuting in the name of the National Association, where a member, for local reasons, or otherwise, is unwilling to proceed therewith.

Arrests: 16. That all arrests for checks operations be promptly reported to the National office in order that they may advise if the criminal is wanted elsewhere. This should be done prior to the suspect being tried in order that all possible evidence may be furnished to the prosecuting attorney.

Additional Co-Operation: 17. That the recommendations for reducing the fraudulent check operations be presented to local or state groups of merchants whenever it is practical in order to arouse the greatest possible amount of co-operation and activity in eliminating these dangerous parties.

Indifference: 18. It seems that one of the best ways to improve an unsatisfactory situation is to call attention thereto in a frank and friendly manner so that the ones concerned may apply the remedy, if they care to do so. The committee, therefore, feels obliged to call attention to an alarming amount of indifference to the efforts of the National Office and the committee to inaugurate plans for curbing the bad check operations. A carefully prepared and neatly printed circular, containing detailed operating outline, was mailed, first class, to every member of the Association on May 1, 1920. The responses were very limited. Only five cities sent to the National Secretary the name of their designated representative for receiving fraud notices from local members or National Office, and distributing same. Warnings have not been sent promptly to the National Office as requested in that bulletin. Local merchants have not reported offenses as promptly and fully as the facts warranted, and as the circular requested. A live wire member, not necessarily an officer of a local association, is needed in every city to handle the fraud notices to and from local members as well as the National Office. Will members in every city desiring to receive these warnings, in an effort to protect themselves against these operators, and to protect their neighbors by timely notices, please consider it their duty to give the necessary information on the questionnaire and return to committee at once? It is hoped that such liberal plans for financing the National Office will be adopted at this Convention that a special bureau may be created therein for handling this

very important work, on a liberal scale as to telegraphic and other bulletin expense. It is believed that high speed efficiency in this fraud check prevention work will save the members and mercantile houses of the country many times the cost thereof as soon as these criminal operators learn that we have a wide awake, thorough going, relentless organization hot after them. Every member must be on the alert to make the scheme the success it can and deserves to be. We should say, however, that some splendid "catches" have been made and convictions, with jail or penitentiary sentences, obtained through the vigilance and activity of some members. This shows what wonderful results could be accomplished with every member alert and active with reports, services and attention.

Individual: 19. That every local association or individual member endeavor to secure publicity in the Trade Journals and local newspapers at all times regarding the apprehension or conviction of any fraudulent bank check or charge check operator in that vicinity. A special publicity committee is recommended which should take advantage of every opportunity to inform the public of successful efforts in apprehending criminals attempting to defraud the merchants.

State Legislation: 20. We recommend the appointment of a special committee whose duty will be to superintend state committees in an endeavor to have passed through the legislature, in every State in the Union, where needed, a uniform law that would recognize a bad check as *prima facie* evidence of the intent to defraud.

THE ZONE PLAN of the FRAUDULENT BANK CHECK COMMITTEE

Your committee during the past year has constantly considered the zone system of notification. Our May first report recommended that all warnings be sent to the National office and from there distributed to localities in which they had reason to believe the artist would operate. Since May first of this year the National office has received forty-seven wires of fraud check operations. Wires and special bulletins were sent to seventy-four associations or groups of members. While this plan proved in a measure successful, yet complete protection cannot be given until the loss of time in transmitting the warning information is materially increased.

Under the present custom of clearing checks it is from two to four days after a check is presented before it is found to be fraudulent. Notifications to the National office, preparation of wire or bulletin, and time in transit, together with process of notifying individual members, consumes such an amount of time that the operator will have an opportunity to be in almost any section of the country. A zone plan of warnings, with a number of our general recommendations, is, in our judgment, a very great factor in curtailing fraudulent check losses.

In a few localities where perfected and in operation is has proven practical and often successful in apprehending the offenders. We find that the success of the zone plan depends entirely upon the office designated as the zone headquarters and the efficiency in spreading the warnings to members in that zone. The zone plan is recommended to all localities in which efficient co-operation can be secured. However, until the members in the principal cities in each State decide on the boundaries of their respective zones and designate one member whose duty it will be to receive and send out warnings promptly, your Committee cannot extend the zone plan of protection. We recommend that until additional zones are created, that Sections 11 and 12 be adopted.

Creating a Zone.

As before stated the greatest problem of your Committee is in establishing the boundaries of a zone in every locality except those in which the members of this Committee reside. It is

impractical for us to establish a principal city in each state as zone headquarters for the reason that we have no way of knowing the details of each organization, neither can we obtain by correspondence a list of cities from whom each would like to receive warnings.

We believe, however, that the zone plan can be put in operation in all parts of the United States, within sixty days after the close of this Convention; provided your Committee can obtain from the delegates present the full information pertaining to boundaries and zone headquarters.

We therefore recommend that at this Convention all delegates from each State hold a conference for the purpose of establishing reporting arrangements in their respective localities.

Blanks on which to give the necessary information to the Committee have been provided and can be obtained at the President's desk or from the Committee.

Respectfully submitted,
E. W. NELSON, Chairman;
L. MICHAELS,
A. D. McMULLEN.

RETAIL CREDIT MEN'S NATIONAL ASSOCIATION.

Information for the Fraudulent Bank Check Committee.

The Zone Plan is for the purpose of quickly spreading information of operations of professional or itinerant fraud check artists. Their usual custom is to follow the transcontinental railways, operating in cities of ten thousand or more population, generally located from fifty to three hundred miles apart.

The information requested is for the purpose of establishing zone boundaries, prevent duplication of wires and bulletins and provide for quick distribution of warnings. Within sixty days after this Convention a date will be set on which to set the plan in motion.

1. Name of State reporting.....
2. City Reporting.....
(One or more cities in a State may be designated.)
3. Name and address of Association and person to receive warnings.....
4. Name and address of Association and person who will be responsible for the distribution of received information to local members and cities in your zone.....
5. Is this office equipped to issue bulletins quickly?
6. State the cities from whom you desire to receive wire and bulletin warnings both in and out of State. List only larger cities on transcontinental lines.....
7. State the cities whom you believe should be warned of frauds reported in your locality and will be warned by you if agreeable to them. (National office to receive copy of every bulletin and wire.)

By wire (larger cities).....

By bulletin.....

8. Additional information can be secured from

Example of Answers.

1. Missouri.
2. Kansas City.
3. Associated Retail Credit Men, 1217 Baltimore Bldg., John J. Jones.
4. Same.
5. Yes.
6. St. Louis, St. Joseph, Mo.; Springfield, Ill.; Des Moines, Ia.; Kansas City, Topeka and

Wichita, Kan.; Oklahoma City, Tulsa, Okla.; Omaha, Lincoln, Neb.; Denver, Colo.

7. (By wire) same as 6; (by bulletin) all cities in Missouri listed as members.

Mr. Nelson (at end of report): Since that was written, Mr. McMullen and I have talked this matter over and we have a little bit different idea on the zone plan, and it is this: That a city, Denver for instance, shall say to the National office or the Committee, whoever is designated to handle this thing, "We'd like to have upon our communication list Pueblo, Kansas City, Lincoln, Omaha," and give the list of cities. Arrangements could be made so that they could notify those cities. Omaha would send in a list, Lincoln, Sioux City, St. Joseph and Des Moines and other nearby places. Chicago might say, "We'd like to have our notification list certain cities in their immediate locality," so that instead of trying to fix a zone by squares or circles, let each city fix its own zone, because they know better just who they can work with and where the fellow is most apt to go.

Our plan is, if the National office will stand for it, if this Convention gives us a raise in dues so that the National office can do it, to provide special telegraphic arrangements whereby the names of the communicating cities will all be mimeographed on one long telegraphic blank and then if we have a warning to issue, we write the warning on one blank with all these names attached, hand it to all the cities that Denver thinks it worth while to send warnings to; those cities will handle it in their own way. The same way with other cities.

The provision will be made upon the bottom of this blank authorizing the telegraph company to charge the tolls to the National office.

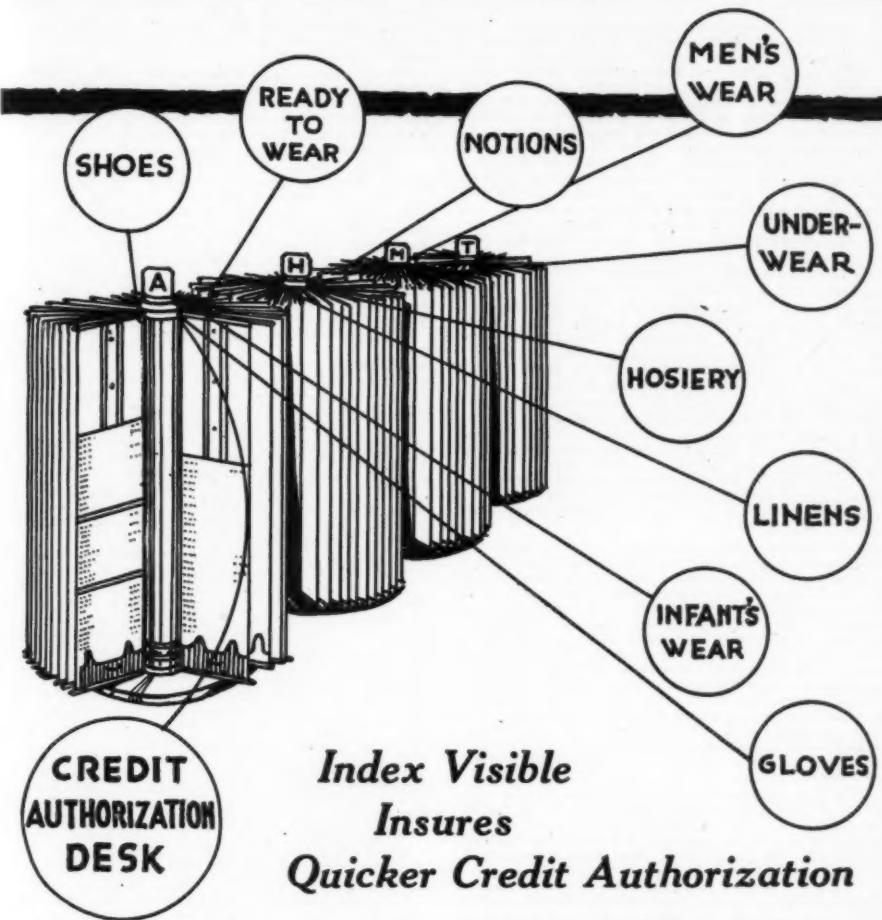
We find there is a great hesitation about sending telegrams by individuals where the individual has to pay for it. This is a national work, this means so much to the members of the entire organization and to all the country that the Committee feels that the National office ought to bear the expense of it from first to last, frank, open and above-board.

We believe, gentlemen, without feeling egotistical, that if you will all get behind this check work and begin to work it earnestly in your community as it has been worked in some communities, something along the lines we suggest, that the merchants of the country will come to your various secretaries and membership committees as they have in some cities that I know of and say, "How can I get into this Association? I discover that you are doing splendid work on check prevention, etc.; we want to be a part," and the increase in membership will be solved to a very large extent by this one great thing.

More than that, you will put these fellows into jail and stop a lot of these fellows going around the country getting the money away from you. Why, out in Lincoln just a short time ago we apprehended a fellow named Stone who had passed a number of checks on the Lincoln merchants for small amounts, but in quite a large sum all told, and when we got that fellow and got his picture and got his description and got his confession, etc., we found he was wanted in Worcester, Mass.; we found he was wanted in pretty nearly every principal city from Worcester to Lincoln, and we've got that fellow in the penitentiary.

Supposing we hadn't stopped him; supposing he had gone on to Los Angeles and some of the other places and mulcted them. Just think of the large amounts that could have been saved!

Out in Denver they've got a lady in the penitentiary who defrauded the merchants of Lincoln over three years ago; has defrauded the merchants of the country all around there, and nobody knows how much she's got, but she's safe now for three years; and if we can all of us get real earnest about this thing and organize at home and go at the thing thoroughly and in dead earnest, intelligently; having some one



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man who will absolutely attend to it and that you can go to and raise Cain with if he doesn't attend to it, then we shall begin to put a stop to this thing; then we shall render to the merchants and members of our Association a service that is worth while; then we can say to the merchants, "Send your men to the Convention; they will be better educated; pay your dues to the National Association; help us all along the line," and the first thing you know you will discover more and more merchants coming to this Association (as I see several store owners sitting right here now who were never at our Conventions before), because they have become intensely interested in our work through this and other activities.

I thank you, Mr. Chairman. (Very hearty applause.)

PRESIDENT BLACKSTONE. As a sub-division of the report of the Fraudulent Bank Check Committee and as an addenda thereto, we present the Denver System, by Mr. C. M. Reed, Secretary of the Retail Credit Men's Association of Denver. Mr. Reed. (Applause.)

MR. REED: Mr. Chairman, ladies and gentlemen of the National Retail Credit Men's Association: Denver feels particularly gratified in that she received favorable mention today and also had her name printed in the program. To tell you, however, about a system for the detection, apprehension, etc., of bogus check operators, I have only to refer you to the world-renowned Nelson System.

In Denver we have tried the past couple of years to work out some sort of a system whereby check operators would find it rather expensive and unfortunate for them to operate in the mile-high city. We have hit upon several systems. Each time we work out something we find that the crooks get wise and lay off for a while. The first thing we know we find they have inaugurated a different system of their own and we have then and there got to get busy and find a system that will offset their system. Consequently, we have been going around in a circle, chasing each other, every once in a while catching up with them, sending a few of them down to the State penitentiary and starting all over again.

I told the delegates at the St. Paul Convention last year something about the system of bulletins which we had inaugurated in Denver and something about the partial success with which we had met in connection with those bulletins. Since the St. Paul convention we have gone more deeply into this matter, we have tried to figure out why it has been so the bogus check operator could get by our credit managers so easily.

Bunk and spunk seems to make up their entire stock in trade. They will come in and meet the credit man who, in a moment of enthusiasm, forgets to ask for an identification. The identification, ladies and gentlemen, is the key to the solution of this whole problem. Just so long as you will permit a stranger to walk into your office and cash a check or tender a check in partial settlement for merchandise or something of that sort and walk out with a pocket full of change without asking that party to identify himself or herself, you are going to be the victim of a crook.

The crook has many ways of getting by you and if you are not pretty careful he will probably give you the full jolt before he is through with you.

Now, we have found one little proposition out there that has been rather efficacious in the matter of detecting some of these fellows whose aspirations are to grow rich overnight without speculating in oil, and that is we ask our credit managers when a stranger presents a check, if the credit manager is satisfied that the stranger is all right and he wants to cash the check for him and sometimes make a healthy donation, to please notify our office that Jim Smith, for instance, has just presented a check on Minneapolis or Los Angeles or some other place on such-and-such a bank; Jim Smith is described

as being so-and-so and so-and-so. We ask them to 'phone in to us. They are doing that in the great majority of instances.

We tabulate that information and keep it before our switchboard operator. A copy of that little tabulation is handed to each of our twelve operators in the office. They have it there before them during that day.

Now, if Mr. Leonard's office 'phones in about a check, gives us the description, etc., of the party who is presenting it or who did present it, we have the information there; if ten or fifteen minutes later Mr. Kindig's office 'phones in with the same proposition and then in fifteen or twenty minutes Mr. Foote's office 'phones in, we know there is something going on and we go out and try to get acquainted with this boy right away and if he doesn't look pretty good to us, our detective department, which is practically under the control of the six big stores there, is on the man's trail, they invite him over for an interview and I want to tell you we have some star chamber sessions there and, if the fellow can't prove up 100% sure of himself, we take him down to headquarters and our chief of police, who co-operates with us every time that there is any opportunity for him to do so, puts on the finishing touches and if the fellow is not absolutely straight, he stays in jail until he can prove himself otherwise.

. We find that the secret of this whole thing is co-operation on the part of the credit man and by that we do not mean that a credit manager should hold a bogus check in his office and admire it for two or three or four or five days before he puts us next to what has happened.

It used to be in the early days that when a fellow got nicked by one of these boys he'd be a little ashamed of himself, he'd put the check away or turn it over to the collection agency or something else; he wouldn't say anything about it. We want you to tell us right away, immediately that you have been caught in a case of this kind, fo let us know about it. We had a case in this blue flame proposition that Mr. Nelson referred to within fifteen minutes from the time the information was given to our office we had the telegraph working and we got him down in Lincoln, and he's in jail and he's going to the penitentiary, and Mr. Nelson, if you don't send him there we're coming down and get him and we'll send him to the penitentiary.

We've got a wonderful place, away up in the hills, fine atmosphere and everything; we can take good care of these boys.

Fifteen minutes after this was in our office you were notified of it!

The other day we were notified of a case where a party had impersonated a government employee. We immediately got busy through the secret service and within thirty minutes' time we had everybody notified from Salt Lake City to Kansas City or St. Louis, as far down as Fort Worth, and every town in the State of Colorado on the main line of travel. I haven't heard as to how it has come out yet, but I am just as sure as that I am standing here that we will get this bird if he keeps working, and possibly we will get him if he doesn't keep working, because it's a government case and the government will work with us in a case of that sort where the government is brought into it.

In Denver we are willing to co-operate with the National Association; we are doing it; we have been doing it for twelve months or more; we are going to keep on doing it as long as we are on earth. We want you to understand that Mr. Woodlock. We are with you on anything in connection with this feature. We are anxious to protect ourselves. Fortunately, we are making it pretty warm down there for these fellows and they are leaving us alone to a certain extent.

A short time ago, within the last three weeks, three issues of checks were put over in Denver —three of them!—and not a member of our association, consisting of two hundred and forty odd, not a member got one of those checks!

The boys are getting wise to the fact that we are on the job so they work the outlying districts where they sell for cash and cash checks without asking questions.

We are perfectly satisfied for non-members to do that. We have appointed them, if you might say it that way, to take care of these things for us. We haven't got time to do it ourselves.

Call on us any time, any of you who have anything out our way in connection with this evil. We are always glad to co-operate with you, do anything we can for you in that connection and we will guarantee an arrest at any time that anyone comes our way if we can only get the clue.

I thank you. (Applause.)

MR. McMULLEN (Oklahoma City): Mr. President, Ladies and Gentlemen: There is just one thought that I want to bring to you today regarding the bad check operations, and that is, let's get busy and clean it up.

When Mr. Crowder visited Oklahoma City he solicited my application principally on the plank

after hour, month in and month out, we can't designate anything regarding the boundaries of a zone, we don't know where you desire to receive those warnings from. Mr. Nelson can designate his own cities that he desires to receive those warnings, I can mine and Mr. Michaels can his own locality but we can't go outside of that because we don't know the inner workings of your office relative to handling those messages and bulletins; neither do we know the route of travel to your city of those check operators.

We had expected to have prepared at this time a questionnaire on which we were to ask for that information. That gives it in such a way, if it is answered in full, that we will have all the data we need for this plan.

PRESIDENT BLACKSTONE: Mr. McMullen is a little too modest to state that the Oklahoma City delegation will distribute the questionnaires, so I will make the announcement in his stead.

MR. McMULLEN: On this questionnaire, ladies and gentlemen, we desire to know certain facts that we can't learn by mail. The reason that we can't learn them by mail is because you won't write them. We have had this plan in view for some time but knowing that we couldn't get this information, we have taken advantage of the situation of having the largest number of delegates at this convention and urge that this information be given to this committee at this time.

We want to know the name of the State reporting, the name of the city reporting. One or more cities in a state may be designated. We don't tell you how many cities should be headquarters, you know that better than we do, you work that out. But we want to know the name and address of the association and person who is to receive the warnings. We want to know the name and address of the association and person who will be responsible for the distribution of the received information to the local members and the cities in your immediate locality, designate your own boundaries as to how far that will go. It can be easily done by a conference with your fellow delegates in your own state.

We desire you to state the cities from whom you desire to receive wire and bulletin warnings both in and out of the state. On that line, however, you should list only the larger cities on trans-continental or the most traveled railroads. In other words, you know from which directions these check artists come and you know from what cities in your immediate locality you desire to receive these warnings. That is what we want. We will work out the balance of the plan so as to prevent duplication and not occasion the national office to pay for duplicate wires.

We want you to state the cities whom you believe should be warned of frauds reported in your locality and who will be warned by you if agreeable to them. The national office is always to receive a copy of every warning, either wire or bulletin.

Your Committee can't see any good reason for prolonging a method to stop these check artists. There isn't any question in my mind but what a large number of professional check artists are today waiting for the papers of Detroit in order that they may learn something about what is being talked about regarding their daily work. As Mr. Reed has told you, they know of the efforts that are being put forth, they know enough to keep out of Denver and this Committee desires to place before each and every city in this United States where a membership in this Association is represented exactly the same kind of a service that Mr. Reed is now enjoying.

I urge you, therefore, to fill out these blanks intelligently, confer with your fellow delegates and turn them into the Committee with the realization that within 60 days after that report has been handed in your committee will



A. D. McMULLEN
Director
OKLAHOMA CITY, OKLA.

of protection against bad check operators. We have been getting some protection, but it has been mainly through our own efforts; we haven't been getting the co-operation from the surrounding cities. The reason for that is, as Mr. Nelson has told you, and Mr. Nelson is absolutely right, you can't get credit men and credit women to wire you; you can't get them to write you.

To my mind, this check protection is the biggest item that the Credit Men's Association has before them today. I think that it ought to be disposed of and disposed of now. You remember at the last convention Mr. Nelson brought in a partial report, not entirely outlined as to a zone plan. I was put on that committee together with Mr. Michaels of Pittsburgh, and we have been working along those lines since the first of last September. We have gotten up 21 recommendations that don't mean anything unless you make some provision to take care of warnings by wire.

The "zone plan" might be what you would call misleading. As Mr. Nelson stated, it is not a circle nor a square nor an oblong, but in working over the map of the United States hour

be able to tell you that the plan is in operation. (Applause.)

PRESIDENT BLACKSTONE: The gentleman from Denver has made one very exceptional recommendation. In addition to the very clever system that they have in Denver for the detection of criminals, he also goes so far in his system as to recommend the proper penitentiary, ideally located, where the sojourn in prison could be happily carried into effect. I think the thanks of the convention are due to the mountain city for perfecting a system of that kind. (Laughter.)

According to the program we have five minutes left for a discussion on the fraudulent bank check proposition.

MR. BERGDOLL (South Dakota): Ladies and Gentlemen: I am not going to detain you long but there is one thought that occurred to me in listening to the discussion on the apprehension of check artists. As stated, I am from South Dakota. We don't have any large three or four hundred thousand population cities in South Dakota, but we do have some check artists and the thought occurred to me, with all due respect to the gentleman from Denver, that I don't believe you want to send the check artists out into the small town for the sake of ultimately getting the small town merchant into the National Retail Credit Men's Association, but you do want to get the small town merchant into the Retail Credit Men's National Association for the sake of putting check artists out of business, and the Retail Merchants' Association of South Dakota, of which I happen to be Secretary, is trying to work along that line and at a recent convention we adopted a resolution voting to go on the zone plan just as soon as this association can adopt a plan. (Applause.)

Perhaps we are the first State Association that has taken that stand, I don't know. Our State Association is not as large as it will be in six months. We have about 650 members at this time. They are not all members of the National, but a large percentage are going to be if our good friend Mr. Coogan, of Sioux Falls, and the President of our Association and myself can put it across.

On this matter we are working in co-operation with the Bankers' Association and with the State Sheriff and we believe that we are going to accomplish something in South Dakota and we want you to adopt some kind of a zone plan and we are with you. I haven't any suggestions to offer except, Don't eliminate or don't forget that the small town is the big thing in South Dakota and it's the big thing West of the Mississippi River and they are not all dead.

By the way, every report that we have received in our office has come from a small town and we have apprehended a few of the fellows—not very many, but we have apprehended a few because we have just been lucky, that's all, but we're after it and we want you to back us up and if you will, the merchants of South Dakota will back you up.

Gentlemen, I thank you. (Applause.)

MR. SHIRK (Oklahoma City): Mr. President, Ladies and Gentlemen of the Convention: While listening to the report of Mr. Nelson and also the supplemental report of Mr. McMullen, it occurred to me that this is one constructive scheme that has been inaugurated by the National Association. I am unable to comprehend how anyone could hear the report of Mr. Nelson, the report of Mr. McMullen, the statements of the gentleman from Denver, the remarks of the man from Dakota, which he says is not dead although they have a Deadwood there, I believe, without being so enthused and so instilled with the plan that he would realize that no matter what this convention may do, if it accomplishes this one thing it will have accomplished much.

It strikes me that it did not go far enough, however, in this: No mention was made as to the time these reports should be returned or the questionnaires handed to a member of the

Committee—I presume the Chairman or Mr. McMullen, and I will take this occasion on behalf of the convention to ask you, Mr. McMullen, that you announce when you desire these questionnaires returned.

There are several towns and two cities from Oklahoma represented. May I ask that all the delegates from Oklahoma City, Norman, Muskogee, McAlester, some one or all of the delegates from those towns come to my room, 727 Hotel Tuller, immediately after the adjournment of this convention this evening.

And, Mr. Chairman, why wouldn't it be a good plan at this moment to ask that each State do that which Oklahoma proposes to do and will do? We will have these reports to Mr. McMullen perhaps tonight and he can have them tomorrow morning.

MR. MONIG (Fort Worth): Fort Worth, being located on fifteen or sixteen trunk lines of railroads, we were always rather fortunate in catching these bad check operators drifting from city to city. I believe we were one of the five cities that answered your inquiry, at least I have the words of one of the delegates who is with me that the inquiry was answered.

The merchants of Fort Worth co-operate all right on the check proposition, but we have a scheme, while it may not be applicable to a lot of other cities, that has helped us a whole lot. Twelve of the leading merchants have gone together and raised a fund of ten thousand dollars and have employed a man at a salary of five thousand dollars a year and given him the balance as expense money (of course we see that it is not wasted) and this man looks after check operators and shop lifters, too, and he employs one or two other people to help him watch out.

The idea is this, that it is pretty well known among this class of people that we are so fortified against their crooked tricks that it has cut down the bad check operators and the shop-lifting in Fort Worth and believe me, if anybody gives a bad check in Fort Worth, they are up against it!

I'd like to state that I have a lady in jail that I expect will be in the penitentiary soon. (Applause.)

MR. LAWY (Memphis): Mr. President, Ladies and Gentlemen: Memphis was one of the five cities that answered these letters that were sent out by the Committee. There were thousands sent out and why no more than five answered it is hard to understand. I can't understand why our membership should be so indifferent to a matter of such great importance unless they are not in favor of the plan that was proposed. I hardly think that is the case because the plan appears to be a good one, but the fact of the matter is that this Association has never passed on this particular plan and don't you think, Mr. President, that it would be a good idea to find out the reason why such lengthy letters going into such great detail and representing such a great amount of work should be thrown in the waste basket, as it were, by I guess 90 per cent of our membership?

Credit managers, particularly those having collection departments, know what it is to not get answers to letters. They appreciate the position of the man at the other end. There must therefore be some reason for this. I think the Association ought to express itself.

I don't want to make a motion just now because the program won't permit discussion of it and action on it, but at a later stage of this meeting I think the matter should be taken up. I will ask the President if he won't do that.

MR. KOCH (St. Paul): Mr. President, Members of the Association: This is indeed a great question and involves thousands of dollars of the firms we represent. I am not positive whether our city has replied to Mr. Nelson's letter, but if we did not it was not through ill-intention because we intended to. In St. Paul we have always believed in full co-operation on the check problem. Seven or eight years ago there existed in St. Paul the policy that probably now is in vogue in most of the cities in O.K.'ing checks.

Mr. Nelson and the other gentlemen who have spoken have said that co-operation is necessary in order to carry on the O. K.'ing of checks successfully, which means the saving of thousands of dollars for the merchants we represent.

Now, I would like to carry this co-operation just a little further than it has been mentioned here today. Is it not and has it not been in years gone by the policy of most stores to leave the O. K.'ing of checks to floor men, department managers and other members or men in the store who are not thoroughly familiar with the O. K.'ing of checks, not familiar with the earmarks of fraudulent paper, warnings do not come to their notice and consequently checks are passed or O. K.'d promiscuously throughout the house with the result that many dollars are lost in this way?

This, I am sorry to say, in a way or perhaps ought to be glad, was the policy in the store in which I am employed, but some six or seven years ago this responsibility was thrown entirely into the hands of the Credit Department. The first thing we did after we were held responsible for the O. K.'ing of checks, we were authorized to O. K. checks which, however, were only in small sums, ten or fifteen dollars. We instructed our floor men as to what we thought they should be particularly careful on in watching checks.

No matter how a criminal may try to discuss his writing, you will always find there is some similarity in some form or shape, usually a check goes daffy on certain things, either on numbers, initials or names or something along that line. Whenever we receive a bad check, either ourselves or someone in the city, it is passed around so that each member may get an opportunity to view that check and familiarize himself with the earmarks, if there are any, that the crook is particularly daffy on. In this way we have been successful in apprehending year after year numerous criminals.

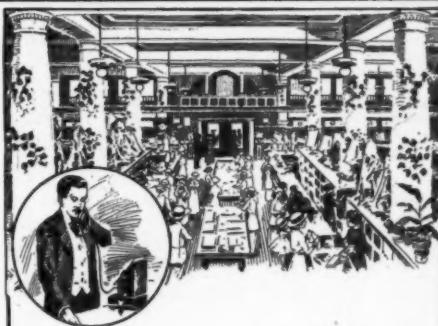
Just before we came away last Thursday, a man came into the store, presented a check for \$20.00 on a Minneapolis bank. This is no reflection on Minneapolis because we co-operate to the fullest extent; it happened to be on a Minneapolis bank, however—I want to state the case just as it is. This young man came in, presented his check for \$20.00 in payment of a high-priced silk shirt, fifteen or sixteen dollars. Our floor man was a new man, somewhat lax in handling the case and told the young man he'd have to take the check up to the office but did not bring the young man along. He was somewhat of the opinion that the check was not exactly right.

In the meantime, when the check came back, the young man was gone. We might have got the case there entirely, but we did not. The first thing we did was to pass it on to the Secretary of our Association, who immediately got in touch with all the members, especially those close within range of our store, and in ten minutes after the young man had made out a new check, walked into another store and presented it, the young man who received it said, "You just tried to pass one of these over at Schuneman & Evans," he called the officer and the young man was taken over to the station and we found out afterwards that he had just got through serving a sentence in the penitentiary for doing the same thing.

We must instruct the men in our own place of business what is an authentic check and what is not. We can't always tell but we can in many instances if we are careful and we must exercise the same care in cashing these checks that we do when we extend credit to someone.

A short time ago I talked to a merchant and he said, "We cash pretty nearly all checks that are presented and our losses don't amount to much." That, in my opinion, is an invitation to a criminal to assist them in carrying out these intentions.

Another man told me a short time ago, "We don't accept any checks out of town that are tendered in payment of merchandise." That man, in my opinion, is throwing away good and sound business. What we want to do has al-



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ready been emphasized. Even you yourselves have to pass it on and prosecute to the fullest extent of the law every time.

I think another thing that would help this thing considerably is that we get all the publicity we can possibly get and when the crooks and criminals around the country find out that we are working together on this great important question, it is going to be minimized, there's no question about it. (Applause.)

MR. KUHN (Tennessee): I'd like to ask Mr. Nelson if he has made an estimate about how much this is going to cost. I notice one thing about all these bad check artists, they're all West of the Mississippi River and are coming away. I don't know whether it's because of the activity of the credit men out there or not. But, what is the cost of this?

MR. NELSON: I do not think, Mr. Kuhn, that the cost of this telegraphic service will be extensive enough to cause any alarm. From the conferences that I have had with Secretary Woodlock regarding the matter so far developed and from the estimates we are able to make, we believe that if the convention will approve the plan for increasing the dues which the By-Laws Committee will submit to you on Thursday to \$5 per member, that there will be ample funds in the national office to take care of this and many other forms of service—more than that.

We believe that if the members and the merchants see that we are giving them some real service by this quick telegraphic service, that we will get in enough new members to pay the cost of it, so it isn't going to cost us anything in the long run.

MR. ROSENFIELD (Dallas): I just want to say a few words. In my experience with check artists, it only means that they get out of your zone, you have practically lost them. Now, why can't this Association have the same system to some extent as the American Bankers' Association? That is, to employ a reputable detective company or agency who has offices all over the principal cities of the country and by description and by their method enable to detect and find such criminal, no matter where he may go in this country?

The American Bankers' Association has a fund, its members contribute to it and in my opinion that should be added to the expense of detecting your criminal wherever he may go in the United States. It has been my experience that these check artists go from the Atlantic to the Pacific and from the Lakes down to the Gulf.

MR. BLANDFORD (Boston): Mr. President, Ladies and Gentlemen: I am thoroughly in accord with the plan as submitted by Mr. Nelson and Mr. McMullen, but I thoroughly believe that this plan is largely corrective instead of preventive and I believe, gentlemen, that what we want to consider primarily in this Association is preventive remedies.

This National Association is an aggregation of local associations and the work, the solution of this problem, is largely a local matter. Most of you know what has been accomplished since the beginning of the war in this country by merchants co-operating in other measures, in measures which they never thought of co-operating in before the war. They made no attempt to get together. For instance, the practice of returned goods where goods were accepted in cities throughout the country anywhere from six days to six months, no questions were asked and in many instances no questions were asked even if the goods were soiled or damaged, but the merchants have got together and almost entirely eliminated that practice.

What I believe we should look to primarily, ladies and gentlemen, is that we should adopt in this particular instance as well as in every other particular as applied to our problems, what we want to seek, what we should seek is cooperative methods and practices.

Now then, let me illustrate definitely what I have in mind. Select any city that you want to, our own city of Boston, the hub of the uni-

verse, if you please. Supposing we have twenty stores and supposing the merchants as represented by the retail Trade Board of the Chamber of Commerce receive a request from the local association of credit men in Boston saying that "we want you merchants to agree that the handling of your checks should be delegated to the Credit Department and to no other department. The Superintendent or the General Manager or any other dignitary of your organization should not be permitted to pass on checks, that is a function of the Credit Department," —and why? Because those in charge of the Credit Department are experts in that line, they know what a check is, they know what every form of check or order is that is presented, what it means, what is required about it, and furthermore, gentlemen, they have all the facilities at their command for identification or for verifying those checks—rating books, directories, and so on.

If you delegate it, if the stores in any particular city or every city will agree to that one uniform practice, if the Credit Department alone must pass upon checks, so far so good. The next point is that they shall agree that no checks will be accepted without positive identification. I don't believe that it is possible, generally speaking, for a crook such as we are talking about, considering this afternoon, to positively satisfy you that a check is good if it isn't good. We can't fool ourselves on that question, and what we want, gentlemen, is for the merchants to agree that their practices shall be uniform in every particular and if one store turns down a check, the same methods will be employed in the next store and so on throughout that particular city.

I want to tell you, if you adopt such a practice the check artists will not attempt to practice their art in that particular city very long.

The next thing I want to say is this, that when you catch someone and when you find somebody is doing wrong, whether the check is \$1.50 or whether it's \$100, prosecute whether or not it costs you money several times the amount of the check; go the limit with it, give it all the publicity possible and that is a very important thing.

But there is another phase of this check question that I want to speak about. You all know about it. In many instances the signature of the person or persons authorized to sign for the passing of checks have been forged and most of you know how that is done. A few years ago in my own city one of these gentlemen that we are all talking about came to the city and established a bank account somewhere so that he passed or began to put out small checks that were perfectly good. But he simply presented those checks and got the signature of the person who was authorized to sign for the check in that particular store or in a number of stores. He didn't use that check at all. He simply went out and took sufficient time so that he could forge that signature and do it to a nicety and when he presented a check that he wanted to pass, it was of a very much larger caliber.

Now, that is something that you can prevent, gentlemen, by not accepting checks unless you accept the sales slip, unless the sales slip is presented also. In my own store, for instance, or the store that I represent, a customer comes into the store and wishes to make a purchase for any amount and wishes to pay by check. She is requested without any comment at all to send that customer with the sales slip, mind you, by a messenger to accompany that person to the Credit Department. We take all possible pains to expedite the matter so that the customer will not be delayed but the messenger holds onto that slip and the check and when the person will prove the check, the credit man is satisfied it's all right, he signs the check and hands it back to the messenger and not to the person who has made the check, and therefore the person has no opportunity of getting the signature so that it can be forged.

That is a very important part of it, as you will all recognize, gentlemen.

Present Day Business Requirements Demand Stricter Credit Control

CONDITIONS in merchandise and money markets require merchants to exercise the strictest control over the credit granted to customers. Slow debts, over-extensions of credit, delays due to incorrect billing and other sources of loss must be eliminated, while the customer who pays bills promptly must be accommodated in every way possible.

The responsibility for accomplishing all this rests with the credit man and to do his work most efficiently he must have the most up-to-date equipment.

The new Lamson Belt Type Pneumatic Tube Desk has been designed to care for just such conditions as are confronting the credit man today. Authority for granting credit is centralized in the hands of a few experienced employees who authorize direct from the actual written sales slip. No sale is authorized unless the slip is legible in every particular and agrees with the central credit record. In this way mistakes are caught while they can be remedied and the losses due to mistakes in billing are practically eliminated.

Besides providing a better safeguard over the extension of credit, the new Lamson desk speeds up the entire service. Carriers from all over the store are handled consecutively in the order in which they are received in the central desk, an advantage which is especially valuable during special sales when customers are crowding about the counters. Credit men everywhere are recommending the new Lamson Belt Type Desk for the accuracy, speed and economy that it brings about in the handling of all credit business.

If you have not already investigated this new improved desk or our improved cable service, get in touch with the nearest Lamson office. A Lamson representative will be glad to explain the advantages of Lamson Improved Service to you in detail just how it will fit in with your ways of doing business.

THE LAMSON COMPANY BOSTON, MASS.

SALES OFFICES:

Boston - - - - -	100 Boylston St.	Chicago - - - - -	6 No. Michigan Ave.
New York - - - - -	9-11 East 37th St.	Minneapolis - - - - -	320 Tribune Annex
Philadelphia - - - - -	210 No. Broad St.	Omaha - - - - -	418 McCague Bldg.
Pittsburgh - - - - -	319 Third Ave.	San Francisco - - - - -	617 Mission St.
Baltimore - - - - -	Equitable Building	Vancouver, B. C. - - - - -	603 Hastings St.
Rochester - - - - -	194 East Main St.	Los Angeles - - - - -	221 San Fernando Bldg.
Detroit - - - - -	525 Woodward Ave.	St. Louis - - - - -	709 Pine St.
Toronto - - - - -	136 Simcoe St.	Dallas - - - - -	905½ Elm St.
Cleveland - - - - -	2063 East 4th St.	Seattle - - - - -	215 Stewart St.
Cincinnati - - - - -	119 East 5th St.	Washington, D. C. - - - - -	426 Colorado Bldg.
Indianapolis - - - - -	Cor. Washington and Illinois	Atlanta - - - - -	30 Moore Building

SERVICE STATIONS:

Denver - - - - -	1622 Arapahoe St.
New Orleans - - - - -	124 St. Charles St.
Albany - - - - -	22 So. Pearl St.
Buffalo - - - - -	- 194 Main St.
Kansas City - - - - -	200 New Ridge Building

Lamson IMPROVED Service

Speed
Flexibility
Protection
Economy

And now, I say to you in conclusion, gentlemen, that if each one of us will go back to our respective cities (if we have not already got together) and present this matter to our local association and let our local associations present the matter in turn to their merchants, let them consider the seriousness of the thing, let them see the simplicity of the thing, and ask for full co-operation in methods and practices, I believe you have found the solution.

The plan that Mr. Nelson and his associate have presented will take care of those few people who may hereafter slip over the line.

Thank you. (Applause.)

PRESIDENT BLACKSTONE: The next feature of the program is the System of Accepting and Cashing Pay Checks, by Mr. W. R. Arthur, Credit Manager for L. S. Donaldson Co., Minneapolis, Minn.

MR. ARTHUR: Mr. President, Ladies and Gentlemen of the Convention: As I have sat here this afternoon I began to feel as though we were cashing pay checks without any system at all. However, I would not have you believe that we do not have some rules to go by. What I may say may elicit some criticism from those here present. However, be that as it may, that is what we are after. If I can get some ideas or thoughts to take back to our firm and to those who were not privileged to come to the convention, I shall feel very well pleased with giving an opportunity for the delegates here to criticise what I have to say.

I'll tell you just what we do. We have on our balcony adjoining the branch postoffice what we term the cashier's cage. That is in charge of a cashier who has been with us eleven years and over, a man of cool judgment, calculating and quick and alert mentally. He has three assistants. This cage is maintained as a service station. The firm I have the privilege of representing is strong on service. I might say in passing that this summer we started an automobile park where our customers may come and park their cars free of charge. That is just a side-light.

Our cashier's cage is for the purpose of the convenience of our friends and customers. Those who cash their checks are not obligated to spend any money in the store. However, you may draw your own conclusions from the figures I am going to give you whether or not there is any likelihood of their spending some money there after they get their checks cashed.

In 1919 we cashed in excess of seven million dollars. From the figures thus far this year, during the first six months, it can be easily determined that it will run between eight and nine millions. Since the saloons closed, the volume of checks cashed monthly has increased about two hundred thousand dollars a month. (Applause.)

We do not solicit this business. I understand there are some firms who do. They invite and they advertise in a measure. This is not any criticism whatever, but they do solicit. We do not solicit it in any way nor do we advertise it. People have gotten in the habit of coming there for that convenience and for that accommodation.

On out-of-town checks up to twenty-five dollars we make a charge of five cents for exchange. On checks running up to two hundred dollars and in excess of twenty-five dollars, we make a charge of ten cents for exchange. Annually we get from this small item a little over fifteen hundred dollars, of which approximately one-half is profit. That, of course, can be applied towards the loss we sustain for the year's business in that department. On Saturdays we have long lines waiting there to cash their checks.

I do not believe that Minneapolis has more firms that pay by check rather than by cash than does the average city of its size. About 75 per cent of these friends and customers who come there to cash their checks are women, except on Saturday when it is about on a 50-50 basis.

As to the rules for cashing these checks, we have, as I said in the beginning, a man there who thinks quick. His plan is, as he says himself, to take it or leave it. He never argues with anyone. He has been abused many times. One lady told him recently that he ought to be in some candy shop. He said, "Thank you. I'm glad you told me. Perhaps I'm in the wrong place," and reached for the check of the next customer. He never argues, he passes them along in a hurry. He has there no index, no index of signatures, but he does have for ready reference the yellow book published by our splendid mutual-owned bureau in Minneapolis. In that yellow book is listed those who are giving N. S. F. checks habitually.

We get a daily list from the banks, and I might say in passing that all the banks of our city are members of our credit association (applause), so we get a daily list from all of these bank members of the N. S. F. checks. We have three copies that come to the store. One copy comes to my office, the other copy is handed to the assistant credit man and the other copy is dispatched immediately to the cashier's cage and they get so they will know very quickly whether or not anyone is passing N. S. F. checks very often. They make it a rule that if once a payroll check is turned down, never again—they are off of him for life, as our cashier says.

Of course if there is any doubt in his mind, then he sends the person desiring to cash the check to the credit office, where we have directors of seven or eight surrounding states. Of course we have the mercantile rating agency books for ready reference and it is very seldom indeed that a check O. K.'ed by any one in the credit department comes back. They get very suspicious if they see a man or woman coming daily or every other day with a check. They soon have their suspicions aroused to the extent that they believe that individual is kiting and then they are politely informed that the cage there is maintained as an accommodation to our customers and that we are not bankers and that they will have to make arrangements to go to the bank and get their money.

Of course you will say, "What does all this cost?" We do get stung, there is no doubt about it. Our loss last year was a trifle over two thousand dollars. I do not know what percentage that is; probably less than 1/100th of 1 per cent. Is that cheap advertising? We pay large sums of money annually to get people to come to our store.

Just a few days before I left there was a man came up to the cage, presented his check, the cashier was satisfied that he was all right. He said, "I got by you pretty easy, didn't I? I'll tell you something. I was across the street and I selected two silk shirts and they wouldn't cash my check. Do you sell silk shirts?"

"Yes."

"Well, I don't know why the deuce I should go back there to buy those shirts."

And he bought them of us.

You may think that there is no system about it. If we get stung, it is bulletined promptly. Our secretary is notified and the other stores along the avenue are telephoned immediately so that they are on the watch.

We have a new vice-president who has been with us less than a year. He has been a banker all his life and naturally and quite properly he is delving into all the systems that we use and he says, "I don't know how you get by with it. The Lord must be on your side, and I hope He never leaves you long enough to pay any one else a visit." (Laughter.)

That, I believe, ladies and gentlemen, is all I have to say on the subject. We believe that we are doing very well under the present plan of operation. (Applause.)

MR. TALKS (Washington, D. C.): Mr. Chairman, Ladies and Gentlemen of the Convention: I don't know how it happened that they put me in to talk on this System of Accepting and Cashing Pay Checks, because one of my main hobbies is merchant-owned, merchant-operated,

non-profit credit bureaus and that is the subject I wanted to talk about.

But, coming back to the bad checks, fraudulent checks, pay checks and things of that kind, I dare say that Washington, D. C., has had more problems in the past three years than any other city in the United States from the fact that our population there is made up entirely, almost, of Government workers. We not only had thousands, but we had tens and twenty thousands of employes come there to Washington with Government checks where we had to cash 'em quick, and we have had a lot of trouble with 'em, but I dare say that the statistics show that our losses on bad checks in Washington, D. C., have been less, notwithstanding the problems we have had to solve, than any other city in the United States and the answer to that is because we have real co-operation there with our credit bureau, which is merchant-owned, merchant-operated and non-profiting.

The great trouble with most credit men today, they try to measure that service by dollars and cents. There is a moral atmosphere to the thing, the moral good we do that will stop the bad check operators in Washington. The minute a bad check operator starts in Washington, D. C., no matter where he starts, the bureau is called up that he is on his way. The bureau immediately notifies not only one store, not only two or three stores, or the members of the credit bureau, but they notify every merchant of any importance in Washington, D. C., for which we make no charge whatever. That is part of our service. We don't measure it by dollars and cents. The main thing is service.

And we have had our troubles down there, too, in getting money and finances and all that, but I want to say for the benefit of the Colonel and the secretary, who is not here now, that we have organized last week our credit bureau and we have incorporated and we said we were going to incorporate for \$20,000. Through the good work we have been doing, the big merchants of the city said, "No, go ahead; we will incorporate it for \$50,000," and that's the way we do business down in Washington, D. C., and we are just waiting to start down there a local retail credit men's association.

I am very glad to hear the secretary and the president in his report say that he is going to give us a charter and if you do, when you issue charters we want to put Washington, D. C., on the map now, so we will be one of the first to get the charter. We'd like to be No. 1. If I've got pull enough with Dave Woodlock, I'm going to get Charter No. 1 for Washington, D. C.

But I want every member of the National Association that is here today to know that down in Washington, D. C., you have a bureau affiliated with the National Association of Retail Credit Men that any time you want to know anything down there you can write to us and we will let you know. I have had wonderful co-operation from the bureaus throughout the country, especially on behalf of Los Angeles, Calif. They are real co-operators. Also Denver, Colo., my good friend Mr. Reed—I've had lots of business with him and we've got it so now that if a man don't pay his bills in your town, he not only can't get credit in Washington, but he can't even get a job.

As an instance of that, Mr. Reed will bear me out; I traced a skip of his from Denver who applied to one of our big stores in Washington for a job. He was a man of real ability, but he was no good; he was passing checks; he left Denver owing several hundred dollars and he applied to this store for a position and was told, "Yes, we will give you a job as soon as you straighten out yourself with the credit bureau of the association in Washington."

Why was that? Because the minute we heard from Mr. Reed that he had left a lot of bills behind in Denver, we had his name on the bulletin next morning to every merchant in Washington and the minute that fellow came into the store and applied for a job—not credit—they said, "You can't get any job here. You must owe some bills somewhere, your name was reported by the Credit Association of Wash-

ington, D. C." and he came up to see me and I told him, "Now, lay your cards on the table. How much do you owe?"

He said, "Some three or four hundred dollars."

I wrote to Mr. Reed and through the good efforts of Mr. Reed we settled all those Denver bills, not at the full value, but at a little less than about 60¢ on the dollar, but they wouldn't have got anything if we hadn't worked together that way. And that's what I call real co-operation, and every one of you can do it. It doesn't cost you anything to send a name in to me or to the National Association. It doesn't cost you anything to send a report of the bad check operator to the Fraudulent Bank Check Committee, but the trouble is with most of them, as I say, you measure your service by a matter of dollars and cents. It isn't what it costs. Some men get a check for \$10 and rather than call up the Credit Bureau and spend 75¢ or \$1 on that report they will lose the \$10 on that bad check, shoot it into a pigeonhole and not let the other fellow know anything about it.

It is not always a question of co-operation, it's a question of toleration with each other's faults. Don't hide your light under a bushel. Let the other fellow know; if you got stung, tell the other fellow and you can bet your life if you do tell the other fellow and he passes it along the line, even if you have been stung you have the consolation of knowing that nobody else is going to get stung and that is what I call real co-operation.

It doesn't cost you anything to do that and the only solution to that, gentlemen, is merchant-owned, merchant-operated, non-profiting credit bureaus in every city in the United States. (Applause.)

PRESIDENT BLACKSTONE: Gentlemen, in order to save any misunderstanding of the introduction of Mr. Talks, permit me to state that he is voicing his own opinion and not the opinion of the assembly when he makes the latter statement. We have no objection to that so long as there is no resolution presented for us to debate on that particular question.

We interjected into the program this afternoon an item that was on the program for tomorrow afternoon; consequently, we are running a little behind the schedule. If, however, there is any discussion on this particular question, the Chair is ready to recognize any speaker.

MR. MARK LANSBURGH (Washington, D. C.): I'd just like to make a suggestion to Mr. Blandford on the prevention of the raising of amounts on bank checks. We have a very simple system of taking any code of ten letters. He can take

"B-1-a-c-k-a-t-o-n-e"
1-2-3-4-5-6-7-8-9-10,

and if a check is for \$20.00, put an "L" and "E" on the back of the check, giving it to the party who desires to have it cashed. If the party gets that cashed without raising the amount it's all right; if he takes it and tries to raise it to \$200 and comes back with the check with an "L" and "E" on it, you know you have a crook. We have been using a code system for a few years and have never lost anything on a raised check. (Applause.)

PRESIDENT BLACKSTONE: The next thing on the program is The Best Method of Collecting Deferred Payment (Lease) Accounts." Mr. Michaels has requested me to change the subject to "A Method of Collecting" as he said that he did not want to be entered as recommending the best method of doing it. Mr. Michaels of Pittsburgh. (Applause.)

Mr. Michaels reads prepared address.

L. M. MICHAELS (I. S. Harris Co., Pittsburgh, Pa.): The subject assigned to me—"Best Methods of Collecting Deferred Payments or Lease Accounts"—is of course a very vital one, because this is the department which finally determines a firm's actual profits. I shall not attempt to touch the fundamentals of this department, but confine myself to reciting a few experiences which I know have been effective in promoting the success of the house with

which I have been connected during long years of unprecedented growth.

As we all know, losses and gains are increased or decreased by the methods and abilities employed in the collection of accounts. The health and future of the business depends on the close collection of the accounts. In other words, negligence in this department weakens the main pillar supporting the entire structure of business. It breeds a lot of P. & L. accounts, and P. & L. accounts are not stepping stones, but a real toboggan slide.

My experience, at the head of a very active credit department, tells me that delinquent customers should be placed in four classes, viz:

First—Customers, who, though opening the account with every honest intention to make payments as agreed, unfortunately overestimate their paying ability. This class represents the largest percentage of delinquent accounts.

Second—Customers who have the earning ability to make their payments according to agreement, but through indifference and carelessness forget their credit obligations and become slow pay. They allow themselves to hold their obligations lightly because they know that they are able to meet any and all obligations.

Third—Customers who know at the time they open their accounts that it will be impossible to make the payments as agreed and therefore deliberately buy with the intention of taking their own time to pay the account.

Fourth—Customers who buy with the direct intention of not paying their accounts at all.

I don't contend that the methods which I have pursued with much success are the best methods which might be devised. I am not an egotist. I am here to learn the same as we all are, but since my methods have given results I deem it but loyalty to the organization to tell you about practices which have helped the collection department of my own enterprise. It is this general exchange of ideas that ultimately makes the credit department of every house a greater success.

The patronage of my house is principally deferred payments. Our system of credit is defined thus: We give the new customer a very concise and complete application blank to fill out, being especially particular to secure the applicant's place of employment and telephone number—also the date applicant receives his wages or salary. My reason for this will be explained later.

After account is open, our ledger sheet, which is a combination index, lease and ledger sheet, is filled in, showing a transfer of all important items taken from our application blank. On top of our ledger sheet we have the numerals one to thirty-one printed and date of payment of account is signaled by placing a clip over the date wanted. (This sheet can be seen with a complete copy of all our form letters in display of Pittsburgh Forms on exhibit in the other room.) Our ledger sheets are being constantly looked over, and when the signal on account shows that it is three days behind in payment, we send the delinquent a letter. It is letter No. 1. If we receive no response, three days later letter No. 2 is sent and a collector's card made out and placed in box of collector for attention if payment is not made by the time collector covers his route. The card is taken by him and is followed by a report from the collector to collection manager. As a rule, the delinquent has had two letters and a collector by the time the account is ten days past due. If this fails to bring payment, a letter or telephone call is directed to the delinquent's place of business. Our experience has been that the man of the house always claims that his attention was not called to his account. By doing this we eliminate this excuse of the man of the house and give the collection department an opportunity to press for payment. If this fails to bring results we send a special man to the delinquent. This special man endeavors to adjust any complaint or grievance the customer may have and also to satisfy the collec-

tion department that the report of the collector was correct. If this fails to bring results, we then send letters 3, 4, 5, followed by three Retail Credit Men's letters, two letters from our attorney and one from alderman before bringing suit.

Our method has been so satisfactory that we have not sued an account in the last year. When mail sent has been returned by the postal authorities marked moved or no forwarding address, the following morning, if it is not possible that day, a tracer is sent out from our office immediately to locate the parties. We find this very efficient. The trail being still warm the possibilities are that someone close by in the neighborhood may give us the desired information as to where the parties have gone.

In Pennsylvania we have no laws to protect us such as you have in other states. We cannot garnishee, and the debtor has the advantage of an exemption law. This makes it very hard for us to collect delinquent accounts, but nevertheless, I am firmly convinced that our percentage of losses from bad accounts is as low, if not lower than that of any similar establishment in the country. We attribute this to our system of closely following up our accounts.

The average collection department is afraid of hurting the feelings of its customers. We also believe in being very considerate of the feelings of our customers. Yet we are human enough to understand that to encourage or neglect a delinquent is mistreating him and ruining our cause. Our organization therefore never fails to explain that as our customers enter into a specific agreement with us, promising to pay a stipulated amount each pay-day, they should be square enough to keep their promise, because the low prices and concessions we give are built on that promise. You see we have a record of the customer's pay-day on our ledger sheet. If customer fails to meet payments promptly, we feel that we are not asking anything unreasonable if we insist that the payment be made as promised. If offense is taken for this reasonable demand, we take every means to explain our position and insist that (with the exception of sickness or non-employment) that payments must be made according to contract. I know that the handling of an account in this harsh manner might seem strange to some of you, but our experience has shown that our customers pay us promptly and notify us if unable to make payment as promised. Our method must be right, and the public must be satisfied to co-operate with us and feel that we are justified in taking this stand, or our business would not be constantly growing. Today we are one of the largest, if not the largest individual concern in our line operating under one roof in this country.

I know that you all have a lot of trouble with so-called short payments. That is, a customer promising to pay \$5.00 or so each pay-day gives you or sends you \$2.00, \$3.00 or \$4.00 instead. We take that short payment, but immediately (in the majority of cases) we write a letter calling the attention of the customer to the terms of the agreement, and ask for remittance covering the shortage. While this method doesn't bring in a lot of money at first, we find that it eventually does and that we have very little trouble with the future payments.

Friendly Warning.

Credit Men: Take Notice! Avoid Familiarity. Do not get too familiar with your customers. It is a handicap for the collection department. The parties owing the accounts as a rule know only the credit man. They go to him with their troubles. If you know your customers too intimately it is hard to refuse a request. The collection department as a rule knows more about the account than you do. Don't do anything that will throw a stone in their way or interfere with a successful policy. A good collection manager will do everything in his power to keep the good-will of the customer whenever and wherever possible. We turn our customers over to our collection department and relieve

the credit department as much as possible. By doing this, we force the collection department to be responsible for the account and make it feel the responsibility of its position. Try this and you'll see a lot of your P. & L. accounts make good. At the same time you'll retain the good-will of the customer, and the fairness of your position if courteously exercised will bring the account back on your books, if it should be lost in the press for its collection. The most essential thing in a collection department is the right calibre of collectors. By this I mean: First, your man should possess personality; second, he should have the ability to use diplomacy; and third, he should have indomitable perseverance. It is hard to find all these qualities in one man, but surely you can find one of them in almost any man whom you have in your employ. And when you find it develop it. When I say your collector should have indomitable perseverance I mean that he should keep on calling and not get discouraged because he cannot show results on any particular account. If he keeps on calling regularly and always when promised money, he will eventually start the account to paying and collect in full. Even accounts that seem hopeless will respond in time to the persistence of a well-mannered but determined collector.

We, as a rule, never hire a man that has had any experience collecting. We prefer to train them ourselves, and instruct them fully as to how to handle the different accounts they have. This has proven more than satisfactory to us and the results obtained would surprise you.

In conclusion I would suggest that every house make sure that it has an efficient collection department, and a system whereby each and every account that becomes delinquent is immediately brought to the attention of this very competent collection department. First of all, be positive that your collectors possess personality and are generally likeable members of society. Ordinary uneducated men won't do if you desire the results we've gained.

Be careful to employ the right calibre of collectors.—Those who know and appreciate that good collections make good accounts. The collector who has the interests of the organization at heart is a very valuable asset to the collection department. Credit rightfully extended makes collections easy. I am sure that if each and every merchant granting credit in the retail line would become a member of the Retail Credit Men's Local Association, and would also become affiliated with the National Association, that the collection problem would be easily solved. The experience and ideas that may be gained through this organization should afford ample incentive for any merchant to belong. Those who have not been educated to the improved methods of granting credits or to the practical collection of credit accounts might feel that it is not worth while. But they are wrong. This perfect day in credits will not come till there is a closer and more universal co-operation between the credit granters, and an educational program outlined by each and every organization of retailers, with this slogan: "Good credits promote good collections. Prompt pay insures good credit."

PRESIDENT BLACKSTONE: The secretary will read the list of the new associations admitted during the past year and if there are any members present from those cities, I would ask them to please arise.

The secretary reads the following list, and as a delegate rises to represent that association the audience applauds:

Canton, Ohio
Altoona, Pa.
Oklahoma City, Okla.
Lynchburg, Va.
Norfolk, Va.
Shawnee, Okla.
Cushing, Okla.
El Reno, Okla.
Greeley, Colo.
Lansing, Mich.
Trenton, N. J.
Clarksdale, Miss.

Huntington, W. Va.
Tacoma, Wash.
Seattle, Wash.
Norman, Okla.
Chickasha, Okla.
Sapulpa, Okla.
Portland, Ore.
Fort Smith, Ark.
Youngstown, O.
Philadelphia, Pa.
St. Joseph, Mo.

PRESIDENT BLACKSTONE: If affords me pleasure to introduce to you the gentleman who will speak on the subject of "The Local Association." It is appropriate that we should listen to him now for a few minutes on this very important subject because the local association is the life of the national association. I therefore introduce to you Mr. Phil M. Canale of Memphis, Tenn. (Applause.)

M.R. CANALE: Mr. President and Fellow Delegates. Ladies and Gentlemen: It was originally anticipated that I should consume ten minutes on this program. The president stated to me at dinner last evening that I was to take five minutes of my time in introducing my subject and five minutes in concluding. However, inasmuch as the time has already been more than consumed by other speakers, inasmuch as there has been a thunder of oratory and eloquence and you have been dodging between shrapnel of witticisms and the unpropitious elements, why, it would not at all be fitting for me to consume any great time on this program.

Some of us have engagements in Windsor to partake of the nectar of the gods, anyhow, so we are not going to postpone that. It is particularly noticeable in the Southern delegation, ladies and gentlemen, that there have been a great many sudden conversions to an immediate reciprocity with Canada. (Laughter.)

The president of your association hit the keynote of my whole talk, or my whole thought or discussion, with you here this evening when he said the local association constituted the life blood of the whole association. Without that thing known as the family, human society could not and would not ever exist. The whole scheme of civilization, the whole scheme of government is dependent upon the family in our civilized world.

So it is with the national organization. It is the local association, it is the dynamic force of the individual members of the local association, which lend the lifeblood and the sinews to this great fabric of industrial development and commercial development in our country which is so splendidly represented here by these delegates today.

The word "Service" has permeated all of the discussions we have had in this hall today. Service to your employers, service among yourselves, service to the public! I am reminded of a story told by one of our distinguished citizens down in Memphis about an ox and a mule that were put in the field together to plow. About the middle of the day on the first day they went into the field the ox quit cold. That evening in the stall, while they were being fed, the ox said to the mule, "What did the boss have to say about me today?"

Next day they went out and there was a repetition of the same thing. That evening the ox said to the mule, "Did the boss have anything to say today?"

The mule said, "Nothing."

The third day, same thing happened. The ox quit cold again at noon. That evening the same question was asked, "Did the boss say anything about me today?"

"Nothing. Now, I believe I do remember that he did mention your name over there at the fence when he was talking to somebody."

"Who was he talking to?"

"It was the butcher." (Laughter.)

The thought which struck me was that the butcher is going to get every business institution or is going to get every organization or is going to get every individual connected with every organization in this country unless they learn the true meaning of the word "Service."

I sat here this morning and listened to a splendid address coming from the other side of the house, so to speak, coming from the standpoint of one of the owners of one of the large institutions of this country, Hudson and Co., here in the city of Detroit. It was a masterly address, but one thought which the distinguished speaker advanced did not exactly appeal to me insofar as he was basing his idea of the exten-

sion of credit in this day and time solely upon the honesty of the individual who seeks the credit.

I am not pessimistic, I am, optimistic, like Mr. Webber. I am not in the mental frame of mind where I am going to marshal a great many imaginary troubles and be in the attitude of the old maid who was never happy unless she was miserable and upon being asked by her friend how she felt stated that she was enjoying poor health. I am not in that frame of mind at all, but I am in this frame of mind, that all people are not honest.

The great majority of the people in the country are honest, but it is the dishonest man or the dishonest woman who gives the credit man, whether it be in the mercantile establishment or in the banking industry, the greatest amount of trouble. Further than that, it is not alone a dependency upon the honesty or dishonesty of any individual that troubles the local credit man, but it is in this day and time particularly since the devastation of the war, it is the over-extension of credit, it is the loss of the knowledge of the word "thrift," it is the forgetting of the fact that a rainy day must come.

In our city, in connection with the banking institution with which I am connected, we are beginning almost to refuse to lend money upon the strength of automobile notes. Why? For the reason that a man who makes \$200 a month and attempts to pay his obligations, his grocery bill, the shoe bill, his clothes bill, the other bills which he honestly owes, seeks the purchase of an automobile, \$100 down, \$85 a month, by the time that he pays the automobile gasoline for oil and things of that kind and character, he finds in his home that there is a scarcity of clothing for his family, the meals become poorer, it ends up ultimately sometimes in a divorce suit and the filing of a voluntary petition in bankruptcy, all illustrative, my friends, of the loss in American language in contradistinction to the English language, of the use of the words "economy" and "thrift," both as a matter of living and as a matter of extension of credit.

I should not have gotten off onto a discussion of those matters, because my subject has been restricted to the local association, but the local association, to my mind, comes so directly in contact with the everyday lives of the people of any particular community, the local association touches the character of living, of the people in that particular community, the local association can stamp its impress so much upon the method of living and the character of people which it surrounds that I cannot help but remark upon these tendencies to get away from these basic, economic views of life as they were entertained by some of our forefathers.

In conclusion, allow me to say just a few words about my idea of a local association. A local association, in order to be successful, and I think that with some degree of pardonable pride I can speak from the standpoint of a member of a successful local association, a local association in order to be a successful association must above all things be an association that is composed of a body of men and women who are working absolutely in harmony to carry out the ideas and principles as enunciated by your National Association.

The local association must be one that is affiliated not only in name but in word and in act with the ideals of the National Association. The word "work" comprises the entire vocabulary of the successful local association after the ideals have been implanted in that association.

The distinguished president of our local association, Mr. G. A. Lawo (applause) has done a service in our part of the country that never reaches people in other sections of the country. He has done more to promote the feeling of a proper relationship between the merchant and credit man, between the credit man or merchant and the public, and between debtor and creditor than any other man I know of in our section of the country. He has done more to build up associations in the surrounding territory, he has done more to build up the Memphis association

than any other other one man I know of. I take the privilege of mentioning that fact for the reason that Mr. Lawo is an extremely retiring and modest man and deserves that tribute at the hands of his 681 associates in the Memphis association. (Applause.)

Now, ladies and gentlemen, the hour is late. I had really prepared a paper to discuss with you all the lines of the economic development of credit caused and brought about by a division of labor or the specialization of workmen. I had really tried to develop a new thought—why the necessity of credit, why the necessity of co-operation, why the necessity of the interchange of ideas, but upon second thought I said that I was only speaking upon a subject that was well known to all of us, speaking only from a fundamental standpoint and a thing that was well known and understood by all of us, so I abandoned that at the eleventh hour and simply am paying my slight tribute to the vitals, the life-blood, to the sinews of our organization, the local association.

Mr. President, in concluding, the day's program is about ended. I also think that it would not be remiss for us as credit men and for us as credit women to again dedicate ourselves as constituting the backbone and sinew of the industrial and commercial life of this country to the ideals of our American citizenship. It is never out of place, it is never too late for us to again acknowledge the heritage which we have received from our forefathers of living in a country which is guaranteed to you and guaranteed to me the freedom of action within the law, the recognition of private personal property rights, the scheme of our government as handed down to us by our forefathers, and we as American citizens, acknowledging allegiance to our flag and again dedicating ourselves to the destiny to which this country ultimately shall attain.

I thank you, Mr. President. (Applause).
Announcements by Mr. Woodlock.

MR. BLANDFORD: Mr. President and Gentlemen: Yesterday afternoon at the meeting of the Board of Directors, the board authorized the President to appoint a special committee to consider a protest made by the New York Association against the acceptance of professional men into the membership of the local and National Association throughout the country. I have been asked to serve as chairman of that committee, together with Mr. Solon, of Minneapolis, and Mr. Leonard, of Denver. I am making the announcement here because I believe that this is a very important matter and concerns every local association in the country and incidentally every member of this organization.

Therefore, as chairman of that committee, I believe it is proper that there should be an intimate discussion with the representatives of the New York Association and also that we should test the sentiment of the representatives of all other local associations represented at this convention. The first meeting of that committee will be held at 12:30 tomorrow in room 1152, which is the headquarters of the association in this hotel.

I ask the New York Association to select a committee representing their delegation to meet with that committee at that time tomorrow. I also ask each association represented here by a delegation to select someone from their number to meet the committee at the same time in order that we may test the sentiment as embodied in the motion.

Announcements by Mr. Schick.

PRESIDENT BLACKSTONE: I will announce that the assembly in the morning will be at 9:20. Meeting will now adjourn.

Adjournment.

WEDNESDAY MORNING SESSION.

The convention was called to order at 9:30 o'clock by President Blackstone.

Singing by the J. L. Hudson Company Quartette.

PRESIDENT BLACKSTONE: I am pleased to introduce to you this morning Rev. W. T. Jacques, of Detroit.

Invocation.

PRESIDENT BLACKSTONE: Mr. Heller, Chairman of the Committee on Credit World, will now present his report to the convention. Mr. Heller is the President of the Associated Retail Credit Men of St. Louis. (Applause).

To the Officers and Members of the Retail Credit Men's National Association:

Your Committee on The Credit World begs leave to submit the following report:

During the past 12 months the standard of The Credit World has been greatly elevated—in appearance—as a readable magazine—and service rendered to the membership. But it is with considerable regret that your committee must report, that The Credit World is a financial liability—instead of being an asset for the National Association.

This condition is particularly to be regretted, when it is a known fact that The Credit World is the best advertising medium in this country, for manufacturers of office equipments and supplies.

Strenuous efforts have been made by your National Secretary and members of this committee, to impress upon the above manufacturers the value of The Credit World, as an advertising medium. It is unfortunate, from a financial point of view, that our efforts did not produce the desired results.

It has been the desire of your committee, since its reorganization, about March 1st, to put The Credit World upon a self-sustaining basis. Failure to accomplish this end can be attributed to the following:

First—The members of the committee are not geographically located to permit personal solicitation for advertising.

Second—There is a lack of co-operation on the part of members of the National Association, who are so situated, in fact, who are ideally located to render valuable assistance.

Third—The firm that is now printing The Credit World is not in a position to aid in securing advertising.

Fourth—Most of the advertising we seek is placed by advertising agencies. The commission they would receive from a contract with The Credit World is not sufficient to interest them.

Fifth—The majority of the advertising agencies are located in the eastern and central cities. Your National Secretary and Chairman of this committee can only get in touch with them by correspondence; and this is not at all effective. We have become convinced that to secure favorable results—results that will produce an income in excess of the expense of publishing The Credit World—can only be secured by a personal interview.

Recommendations.

To make it possible for your committee to act promptly upon matters submitted to them it is necessary that the by-laws of this Association be amended so as to broaden their scope. With this in view, we recommend the following:

First—"The committee must be given full power to act." That is, they should be given full power to make any changes in the conduct of The Credit World—that they consider for the best interest of the Association, or

Second—There should be appointed, from the Board of Directors, a Governing Board of three, who shall have full power to pass upon all matters submitted to them by The Credit World Committee.

The argument in favor of either of the above is to mention the fact that favorable opportunities to increase the income of The Credit World were missed, due to the fact that your committee did not have the authority to accept, and by the time same could be submitted to each director the offer was withdrawn.

Third—We further recommend that The Credit World Committee be enlarged to nine or eleven members. That these members be selected from cities in which are located manufacturers of office equipments and supplies, and also in which the large advertising agencies are located.

Fourth—We further recommend that our successors, when appointed, be instructed to make, if possible, suitable arrangements with an advertising agency, for the purpose of securing sufficient advertising to make The Credit World self-sustaining.

If the above is not possible, then we suggest that the printer of The Credit World shall be in a position to secure or assist in securing advertising matter, and who also, shall be so organized that he can aid in the construction and mechanical arrangement of the magazine with the view of making it more attractive as a readable magazine and as an advertising medium.

Advertising Rates.

Up to March last, the advertising rates in The Credit World were as follows:

Outside and inside cover.....	\$100.00
Inside page.....	30.00
One-half page.....	15.00
One-fourth page.....	7.50

Your committee revised the rates, and since the March issue are as follows:

Outside and inside cover.....	\$100.00
Inside page.....	60.00
One-half page.....	35.00
One-fourth page.....	20.00

Relative to above advance in advertising rates, your committee wishes to say that whenever space was sold there was no objections raised as to the rates charged.

The cost of publishing a 32-page Credit World is approximately \$800.00. This price fluctuates, according to the rise and fall of the price of paper, and in the past year it has been "mostly rise."

When you realize that it only requires about twenty (20) pages of advertising matter, or about 13 pages, in addition to what we now have under contract, to put The Credit World on a self-sustaining basis, and at the same time permit of its enlargement to a fifty (50) page magazine, is very discouraging to your committee when we are unable to obtain same.

In conclusion, your committee cannot suggest any better way or means of assisting the exchequer of this association, than for every member of the National Association to constitute himself a committee of one to boost for advertising. This can be accomplished in several ways. When you place an order for office equipment or supplies—and the firm from whom you are making the purchase has an advertisement in The Credit World, tell him you saw his "ad" in The Credit World. If they haven't an "ad" in your magazine—as for one—send the name and address—with the amount of your purchase to your National Secretary or chairman of The Credit World Committee, and let them follow it up.

The following figures, gentlemen, will prove the need for such support.

The following is the financial report—showing the number of Credit Worlds published each month, the number of pages of each issue, the number of pages of advertising carried each month, the revenue received from each issue and the cost of publishing:

Month	Pages	Pages of "adv."		Cash Rec'd.	Cost
		Is- sued	Car- ried		
1919.					
August	32	6500	3	\$280.00	\$475.00
September	32	6500	2	200.00	450.00
October	130	6500	2	280.00	1753.00
November	44	6500	4	295.00	858.00
December	44	6500	5	315.00	821.00
1920.					
January	32	6500	8	370.00	585.00

THE CREDIT WORLD

Month	Pages	Issued	Pages Carried	Cash Rec'd	Cost
1920					
February	32	6500	9	\$398.00	558.06
March	32	7000	7	309.00	691.00
April	36	7000	9	415.00	971.00
May	32	7000	7	370.00	759.00
June	36	8000	8 1/2	421.00	1098.00
July	32	8000	10 1/2	467.00	906.00
	514	82500	76	\$1020.00	\$9925.50

Total pages printed..... 514
 Total circulation..... 82500
 Total pages of Adv..... 76
 Total cost of publishing Credit World..... \$9,925.50
 Total cash received from advertising.. 4,020.00

Deficit \$5,805.50

This deficit shows that it has cost the National Association a fraction over seven (7) cents per copy, to furnish The Credit World to the members of the association.

The committee desires to call your attention to the cost of publishing the convention number of The Credit World in October last, the cost being \$1,753.00, and said issue contained one hundred and thirty (130) pages.

Owing to the present price on the quality of paper used in The Credit World, your committee wishes to suggest that the proceedings of this convention be not published in The Credit World, instead same be published in pamphlet form and newspaper stock be used. We believe this will result in quite a saving.

All of which is respectfully submitted,

HARRY A. PECHER,
 J. C. RAYSON,
 W. H. J. TAYLOR,
 E. B. HELLER, Chairman.

The Credit World Committee.

Mr. President, at this time I want to take this opportunity to commend the untiring labor and efforts of our executive secretary in improving the condition and appearance of the Credit World. I believe that every man and woman who received the Credit World during Mr. Woodlock's administration will agree with me that it has been considerably improved and I am satisfied that under his careful attention it will be better the coming year. (Applause.)

PRESIDENT BLACKSTONE: The report of Mr. Heller as chairman of the committee on the Credit World will be received, properly recorded and referred by the executive secretary to the incoming board of directors for action by them on the recommendations contained therein. The secretary will so note.

The question of the committee on the Credit World and the great subject of its control editorially and by that committee is of such importance that it was considered advisable to leave sufficient time on the program to permit of discussion wherein delegates to this convention could voice their opinions and make recommendations.

The recommendations will, of course, be noted by the executive secretary and referred to the new board of directors for action at the session which will be held immediately following the adjournment of this convention.

Is there any discussion on the subject of the Credit World?

MR. HELLER (St. Louis): I don't want to be monopolizing the convention's time on the Credit World, but the Credit World is near and dear to my heart. I have been receiving the Credit World once a month since its publication and when you take into consideration its worth to each individual member, I believe you forget the cost. Every credit man some time or other during the year is buying office supplies, buying equipment, and if you will just stop and think, gentlemen, how easy it is to obtain a contract for advertising when you are buying something for the other fellow, they will take you out to dinner and do everything to get your contract, get your contract for your supplies, and that is a time to drive home the Credit World.

The Credit World, as we show in our report, has cost the National Association seven cents per copy. That is a nominal amount under ordinary circumstances, but under the present condition when the National Association needs money, this Credit World should be showing a profit and it can show a profit by just a little co-operation.

If you men will simply make up your mind to help a little, there will be no question about the showing of a profit, because we have never failed to get a contract for advertising when we were in a position to talk to the man. If you'd only stop into the office of the National Association and see the correspondence that Mr. Woodlock must handle and the letters that have been written soliciting, and all the promises we had for advertising, we ought to be issuing a magazine of 200 pages, but you can't get it by letter-writing. It must be by personal contact and I hope that you gentlemen when you go home will make that a point—to boost for the Credit World.

MR. BILLINGSLEY (Fort Worth): "System" has a large number of pages of advertising and they seem to be able to get by with it. It's a Detroit concern, I understand, and I think that the Credit World is just as important to the merchants and to the credit men as System. It can be made so and be much more useful if we will simply support it as we ought to.

I would suggest that some arrangement be made so that we could find out what the practice of System is in getting advertising and follow the same ideas and get advertising ourselves for the Credit World.

I read the Credit World regularly, we have it in our office and there's a great many things in it that are very interesting indeed and I think that every other credit man will enjoy reading it and it would be a shame, it would be a sin, to have it prove a loss or prove a burden to the association. As Mr. Heller said, it ought to be a financial asset instead of a liability, and I would suggest that we all do what we can to get advertising for it.

In Fort Worth we haven't very many things to advertise nationally excepting perhaps oil, but I will do this: When I go back I will see whether we can't get some advertising from some source for the Credit World out of Fort Worth. (Applause.)

MR. SLATER (Cleveland): Mr. Chairman, Ladies and Gentlemen: I want to call attention to the sign over on the right here and I want to give due credit to the Credit World. I might say that our success in Cleveland has been due to the success of the Credit World. We secured 600 copies additional, for which Mr. Woodlock asked us a nominal fee of \$38.00, covering the bare cost to him; we sent those out to the non-members of the National Association in Cleveland and I will say this much, that due to the improvement in the Credit World in the last year it was a credit to us to be able to send it out, that we were successful in selling that many memberships and that is why we came so happily here today. (Applause.)

MR. KUHN (Tennessee): I am going to ask you what is your subscription? Our subscription at present is very small. Why can't we see if we cannot sell a certain number in each city and double the subscription list? If you do that, then you will have no trouble in getting all the advertising that you want, but I'm afraid at present, with the limited number, we cannot do it.

I suggest that the board of directors devise some plan by which they fix an annual price for the magazine and have it sold in the different cities.

PRESIDENT BLACKSTONE: I have just told Mr. Heller that if any plan is proposed to his committee that he considers advisable to report back to this convention, that I will make a place in the program for further discussion on it.

MR. BILLINGSLEY: The Fort Worth Association will offer a prize of a silver cup to the club that brings in the most subscriptions to the magazine during the coming year.

MR. HELLER: Mr. Billingsly just gave me a suggestion. A little competition is a thing that will put this proposition over. Now, we can do it if we simply make up our mind we are going to do it. Speaking of silver cups, the St. Louis Association of Credit Men, the local association, will give a cup that will compare favorably, that will be as fine if not finer than any cup these state chairmen receive here at this convention, for the man who will produce the greatest amount of advertising space in the Credit World.

Understand, there is only one condition—that we must receive a total of not less than 13 pages of advertising. The man who will turn in the greatest amount will receive a silver cup the same as we are going to give to our state chairman.

PRESIDENT BLACKSTONE: I am in receipt of a telegram addressed to our Executive Secretary from Past President Wright, in which he recommends the appointment of a committee to confer with the Burroughs Adding Machine Company of Detroit relative to advertising in the Credit World. I will give the telegram to the reporter for insertion in the records and instruct the Executive Secretary to deliver it to Mr. Heller, chairman of the committee.

Telegram is as follows:

"Proposed contract with Burroughs Company for advertisement in bulletin still pending. Los Angeles representative who returned yesterday from Detroit interviewed Mr. W. H. Marsh, advertising manager, and reports him most honorably inclined. Mr. Marsh has full authority to act and Los Angeles office have wired him tonight that you will see him while in Detroit for the purpose of closing contract. Possibly a committee representative of large Burroughs users might accompany you. I cannot enter into full details, but believe seed will be sown and that it will bring forth fruit, so most important to secure interview while convention is in session."

Is there any further discussion on this subject?

MR. HORTON (Knoxville, Tenn.): Mr. Chairman, I just want to impress upon your mind that the Credit World is a small magazine in one sense of the word, but if you will harp on the Credit World when you get back home like I have harped on the Credit World for the past three years, the Credit World will be a big thing. The Credit World in Knoxville today is considered more popular than our leading newspapers, the Journal and Tribune, and the Knoxville Sentinel, by the leading credit men of that city. There are credit men in that city who do not pass that Credit World by until they have read it from start to finish.

In other words, if they receive that Credit World on the 5th or 6th of the month, they read that by the 8th or 10th.

There have been several addresses wanted. I have noticed recently, that have been published in the Credit World and have been noticed by credit men of Knoxville. One particular instance was I wrote to the head office inquiring as to a young lady who had gotten married and left the city of Knoxville. She was in Chattanooga. She left Chattanooga after she married and went to some parts unknown.

I wrote to the national office for that lady's name and in less than 30 days I received a letter from our good secretary, Mr. Woodlock, advising me that he had received a letter from the credit man directly across the street.

Now, that is co-operation. If you want to make the Credit World what it is to be and what it will be, all you've got to do is to boost it. You can make the Credit World very substantial. You can make it self-supporting if you will just put your shoulders to the wheel and push. We've all got to get behind this Credit World; if we don't we can't expect one fellow to do it all.

When we go back home, let's do this: If we've got a fellow credit man who does not take this Credit World, go to him and tell him what he's missing. I went to a fellow not long

ago and asked him if he wanted to renew his subscription to the Credit World. I had signed him when Mr. Crowder was in the city of Knoxville some three years ago, and he gave me this answer: "I don't see where I derive any benefit from that Credit World."

I gave him this answer back: "If that's all you've got to say about the Credit World, I don't want your subscription."

A few days after that I succeeded in doing something that I have been trying to do for three years, ever since I attended the Boston convention. I had harped on this affiliation of the Knoxville Association from the time I arrived in Knoxville until the time I left and when I left for the Detroit convention, our worthy manager who is accompanying me to the convention brought with him proxies for every member of the Knoxville Association.

That is accomplishing something that I did not think I would accomplish. I have worked so hard and toiled, day by day, have left my desk and gone out and talked to credit men of that city, took my noon hour and worked every minute, every spare moment that I could, and I began to think that it was a lost job, but right on the last moment I talked to our worthy president of our local association and our secretary, who visited the St. Paul convention with me last year, and I asked them if they did not think it was worth while for the local association to affiliate with the National Association, if they could not get some benefit from that.

After the president gave thorough consideration, the secretary, president and myself got together and talked this matter over. We called a directors' meeting. We amended our By-Laws to change our dues from \$3 per month to \$3.25, which takes care of the Credit World, and now we have a membership of approximately 155 members who are all members of the National Association.

You might think that that was putting it over on the fellows. Well, I might say it was. We did put it over, but we used this plea: Our secretary wrote a letter to every member explaining why the dues should be raised to \$3.25. We did not use the reason that we were giving them the Credit World; we used the reason of the higher cost of living. That's the way we got by with it. How many do you suppose we had out of that 155? We had one kick, and that was the fellow who told me he could not get any benefit from the Credit World. But that fellow is getting the Credit World now free of charge and if he doesn't want to pay for it, somebody else will. I will.

One more word about the Credit World. When I go back home to Knoxville I am going to take the job of looking after the advertising for the city of Knoxville and the cup which our friend Mr. Heller has offered to the one receiving the largest amount of advertising will very likely go South, where the other trophies have been going. (Laughter.)

You remember last year in St. Paul it was quite a surprise to me when I arrived in St. Paul and found that my friend from Chattanooga had brought in some members right at the last moment that I didn't know anything about and that my name was at the top as state chairman. And I don't know but that I'll lead you a merry chase on that trophy for the advertising space.

Thank you very much. (Applause.)

MR. HELLER: Mr. President, I just want to tell this gentleman from Knoxville that this contest will be based on annual contracts and I want to say that if you will win that trophy or annual contract proposition, I will use my influence with Mr. Woodlock to see that your name is on the margin of every page in the Credit World. (Laughter.)

MR. KRUSE (St. Louis): Mr. President, yesterday Mr. Nelson talked to us of the lack of co-operation between the members and the office and their answering communications. Let me tell you something, and I speak to you from experience. If our membership nationally would co-operate in building up the Credit World as they do co-operate locally on other

matters of credit, the Credit World would be second to none in this country.

It is up to every individual member of this organization to help in building up that Credit World and how can you do it? There are two effective ways in which you can do your part. The first is this: You as a local association, for instance, have items or matters or systems or schemes not only working out successfully in your city but could be adopted in other cities. Don't send a lengthy article, something that is unreadable or something that fills up a whole lot of space, but boil it down, head it properly and give it snap and punch and it will go over and be appreciated and it will show that you are on the job, that you are taking a vital interest in that particular article.

It has happened many, many times where articles have been sent in by various cities, lengthy newspaper clippings, sometimes two and three and four columns long, they were absolutely unsuitable. Gentlemen, that isn't fair, for if the Secretary cuts out some of those phrases, the Association becomes offended lest they were not getting all the publicity they should be entitled to.

Don't adopt that attitude but, on the other hand, don't send in those kind of articles. Boil them down and put in just the kind of things that go to build up your local association, build up the National Association.

Then, on advertising, that is quite a sore spot in some places. It is because, gentlemen, men who can't help in securing advertising. Every individual member of our organization could do his part in helping secure advertising and could help to hold the advertisers that we've got. You use the various systems that are advertised now in the magazine. You have those looked over and repaired from time to time. Always keep constantly in the minds of the selling force and the entire force of that particular company the fact that their particular article is kept before your mind through the avenue of the Credit World. Boost, boost, keep a-boosting and by doing that you will help it wonderfully! (Applause.)

PRESIDENT BLACKSTONE: The next thing on the program is the report of the Committee on Resolutions. Mr. Nagle is the chairman of the committee.

MR. NAGLE: Mr. Chairman, Ladies and Gentlemen: The Committee on Resolutions has nothing definite to report this morning. We had a few resolutions which had already been submitted but no official action taken. We adjourned to meet this afternoon immediately following the adjournment of the morning session and I would respectfully request that every member of my committee be on hand.

Also, it will be necessary that all resolutions which are to be offered and which we are to consider must be in our hands not later than the meeting for this afternoon.

PRESIDENT BLACKSTONE: Mr. Woodlock has a telegram to read.

SECRETARY WOODLOCK: I received the following telegram a few moments ago:

"Sixteen signed for National Association today. Burlington Association assured Much credit due National Office and other locals. Next move is state-wide campaign. With your help will prove that Vermont is a winner. Writing National office."

"F. S. WHITING,
Burlington, Vt."

Vermont was one of the states that we could never get a foothold in and Mr. Whiting has finally succeeded in starting a local association in Burlington, Vt. (Applause.)

PRESIDENT BLACKSTONE: We have a few minutes open on the program. If any delegate has anything he would like to present that is not already covered on a later page of the program, we will devote the next ten minutes to impromptu talks or suggestions or recommendations from the delegates.

MR. BROWN (Newark): Mr. President, I'd like to ask a question of this convention, if I may. The question is this: Will you please give me (and some others) by a show of hands how many of you successfully use the telephone in collection work.

A number of hands are shown.

Thank you.

PRESIDENT BLACKSTONE: The answers seems to be about 80%. Is that a sufficient number, Mr. Brown?

MR. SOLON (Minneapolis): How many credit men or credit ladies in declining an account give the applicant a reason why? (Showing of hands.)

PRESIDENT BLACKSTONE: How many consider that the customer is not entitled to any explanation? (A few hands shown.)

MR. RITNER (Minneapolis): That depends a good deal upon the customer. I don't think you could have a cast iron rule. Sometimes you would give the customer a reason, sometimes we give him a reason, sometimes we give him the reason; sometimes a customer knows without being told. (Laughter.)

MR. WICHELL (San Antonio): I'd like to know among credit men and ladies how many of you will tell the customer, if they are in debt or owe an account to one of your competitors, the real reason you do not open an account, and mention the names of the house that they are owing? (Few hands shown.)

That is real co-operation. In San Antonio we do that. We have been able in that way to collect many old accounts by telling the customer and asking the permission of the house, ask the permission of the firms that they owe if we can use their names, which we do and we have collected many old accounts in that way. After they have paid out, if we consider them entitled to credit, we extend it to them.

MR. O'HARA (Houston): In giving the customer a reason for not granting him a line of credit, say for instance he's in debt, there are a great many firms who furnish the information to our central agencies who say, "You must not name us when you give out this information." I represent George M. Classen & Son of Houston, Texas. Wherever there is a firm that is willing for their name to be mentioned in the case of debt, I gladly tell that applicant to me for credit that he owes Bill Jones & Co. and when he pays him, then he can come and talk to me.

MR. McMULLEN: I would like to ask if, when you decline the account, do you put it in writing and give the reason in that letter to the customer? How many do? (No hands.)

PRESIDENT BLACKSTONE: How many never give a reason to a customer unless the customer asks for the reason? (A few hands shown.)

MR. McMULLEN: One more question, Mr. President. When the account is declined and you do not give the customer a real reason, how many refer that customer to the rating bureau for that reason? (A number of hands shown.)

MR. BARRETT: Mr. Chairman, I would like to ask if when you accept an account and in your judgment that account is good only for a limit of a nominal amount, if in advising that customer that you have accepted her account, do you also advise her that you have placed a limit on the same?

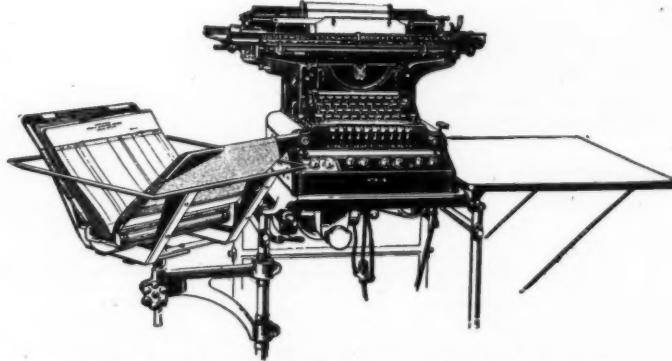
PRESIDENT BLACKSTONE: That question of limits is scheduled for this afternoon.

MR. JOHNSON (Minneapolis): After all, there is only one reason we decline an account and that is because we feel that the man is not going to pay. I have found it very easy to refer them in both instances to the credit bureau if they want the real reason. We state both in writing and in person that the reason

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we don't want to extend credit is because they don't pay their bills.

MR. H. O. MILLER (Fort Worth): I'd like to ask how many members use the Morris Plan Bank for the collection of their P. & L. accounts? (About a dozen hands shown.)

MR. KRUSE: Would some of the delegates explain to the convention just how they use it?

MR. HORTON (Knoxville): We use the Knoxville Saving and Loan Corporation, practically the same thing as the Morris Plan Bank. We use it in this way: A customer owes us a past due account, regardless of date, how far it dates back. We give that name to this Knoxville Saving and Loan Corporation. They have a form letter that they send to this customer. The customer doesn't know that we give the name to the bank. The bank sends this form letter to the customer and in nine cases out of ten they fall for it. They go to the bank and the bank then gets them on the carpet, like I do when I open an account, and explains the matter to them.

"You can borrow so much money from us, you can borrow \$100 from us and pay back \$2 per week until you get that account paid for."



DAVID W. AHL
National Director
DETROIT, MICH.

It is handled like this: John Jones owes the M. Newcomer Co. \$200. John Jones comes to me and says, "Mr. Horton, I want you to endorse my note to the Knoxville Loan and Savings Corporation for the amount I owe you, no more." I endorse that note for that amount. John Jones takes this note to this bank and they have it brought up before their directors and if it is approved, the check covering John Jones' account is mailed to me direct.

John Jones does not know whether or not this is passed upon until he is notified by the bank that his account has been paid. Then John Jones makes his payments at this bank and if he does not make his payments regularly, the bank calls on us. Therefore, we are simply doing this in order to get our money when we need it, not when we can get it; instead of going to the bank and borrowing money and paying 6% and 8% and sometimes more as it is now, and you can't get it at that per cent, it is cheaper to have these people go to the bank and endorse the note because it is just as broad as it is long. If you have to pay it to the bank it's no more than having to use the red ink on your ledger.

We have found it's a great thing and the people of Knoxville have found that it's helping the laboring man to get on top and get out of debt and I wish to say that any of you that have not used the system, if you will use it, will find that it is a great system to use in keeping

your accounts receivable down to a normal minimum.

MR. KRUSE: Another question. What percentage, Mr. Horton, of these accounts are repaid by you to the bank?

MR. HORTON: The last year we have been using this system we haven't had one account to pay and practically in the year's time it has been paid to the bank. One year I have been using this system and I've got my first account to pay; I've got my first letter to receive from the bank notifying me that John Jones has not met his payment.

Fellow credit men, I want to tell you that the system is worth thinking about. You can certainly get your ready cash when you want it.

MR. NYE (Des Moines): On the Morris Plan Bank discussion, I'd just add that we are using it in Des Moines, have been doing so for three or four years very successfully. I wouldn't say to use it on P. & L. accounts so much as on live accounts that are delinquent. We cover it up with our Pay-Your Bills newspaper advertising. In those advertisements we consistently tell the debtor to call on the Association and a means will be shown whereby he can clean up his account. That means the Morris Plan Bank system and through that we have cleaned up hundreds of slow accounts and in many instances P. & L. accounts.

All of us would certainly recommend it and our percentage that we have had to repay is very small indeed.

MR. HOOPER (Birmingham): I'd like to also have a show of hands as to how many have them sign an application, and if you have a waiver of rights of exemption in those cases. How many have them sign applications? (Showing of hands.) How many contain a waiver clause? And if the application also contains an agreement to pay court costs and attorney's fees provided the account is not paid at maturity?

I'd like to say that I use it very successfully, have for the last four years. I believe in that time we have only had fifteen or twenty people decline signing the application. I think it's a wonderful help when you have to refer your account to an attorney for collection.

PRESIDENT BLACKSTONE: Gentlemen, we can go back to this at a later period if necessary. It is an interjection in the program at a time when we could well spend it. However, the program now calls for another item. I will pass down to the report of the Committee on Credit Department Methods. Mr. Ahl, National Director. Are you ready to report? (Applause.)

MR. AHL: Mr. President, Ladies and Gentlemen: The only subject referred to the Committee on Credit Department Methods has been a request for a new trade inquiry blank that will cover business houses, banks and individuals. I personally have spent a great deal of time in an endeavor to produce a blank that will be uniformly satisfactory. Blanks with suggestions from other members of the Committee have been from time to time referred to some of our officers and directors for an expression of their opinion, but it seems that everyone has a different idea so as Chairman of this Committee I decided to wait until our convention was assembled, and, together with other members of the Committee, endeavor to produce forms that will meet with approval throughout the country from the various credit men.

These forms I hope will be accepted before our convention comes to a close.

During our convention we will have a number of addresses by various delegates on plans for increasing the efficiency of the credit department. Various methods will be discussed pro and con from which we will all derive a great deal of personal benefit. Any plan or method which has a tendency to increase the service to our customers is a real reason for our convention, for without our customers the Credit Manager would not exist and the store would not be on the same plane.

To a great extent, every store in the country which is doing an increasing business is selling primarily service. Plainly speaking, while prices may vary in the different cities throughout the country, in the same city they are selling the same merchandise as their competitors with prices uniformly the same, but the store that is forging ahead is selling service and can place good will prominently among its assets.

Therefore, fellow credit managers, let us give definite thought to ways and means of increasing the efficiency of our Credit Department to such an extent that we may commend ourselves to our customers and the firms we represent.

If any man or woman returns to their home city from this convention with only one idea and that idea is service, the time and the money has been well spent. In my judgment a Credit Manager is the greatest business builder or killer in the entire organization and to have the respect and confidence of your customers and the firms you represent is an honor greatly to be desired, and I feel sure there is no one present in this assembly that has a different thought.

Therefore, we will all work together for the common good of the organization and by so doing increase the present efficiency of each person here and the firms which we represent will reap the benefit which they will recognize and the Credit Man will be raised to the plane which he deserves.

We will later hear from Mr. Solon and Mr. Jackson regarding the respective merits of the tube and telephone for authorizing and they are both good, but the main point is that some of you people are going home with a problem solved which will result in your customers getting better service, no matter which plan is adopted, provided at the present time you are authorizing by slower methods.

We are in convention assembled for the purpose of bettering credit conditions, for bettering the conditions of credit granting both from the viewpoint of the customer and the merchant and I am sure that we will all be better credit managers for having attended this convention.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: At the close of the last convention I was requested to put on the program for this year many questions of a character that had previously been discussed by the convention, previous conventions, but that some of our members thought could be given a new angle at this time. In compliance with those requests, I arranged for the discussion that will now take place. This is not done for the purpose of advertising any particular system, but solely to bring before this convention the merits of service compatible with the two systems that will now be presented to you.

Consequently, I want you to understand that in bringing these things to you, your President is making no recommendation of one system as against another, nor does he expect anyone who is on a program representing a particular company to use this as a selling factor of anything other than service. I hope my attitude in the matter is understood.

It affords me pleasure to present to you, Mr. M. J. Solon, our National Director from Minneapolis, who will lead the discussion of the telephone system for charge authorizing. Mr. Solon. (Applause.)

MR. SOLON: Mr. President, Ladies and Gentlemen of the Convention: Service has been the watchword in Minneapolis and we have tried to pay particular attention to that word in our store. We believe that in giving service to the credit customer we develop our business. We do everything possible to speed up the authorizing of a charge sale.

After all, the functions of the Credit Department are the granting of credit and protecting the house against loss. When those two things are done, the Credit Department is through. Incidentally, of course, the account has to be collected.

Service to the customer, to my mind, is most important, should deserve the greatest part of attention, because without service, without prompt and efficient service to the customer, we can't increase our charge business, we can't do what we try to do in the Credit Department and what the store claims to do in its advertising.

With the electrical credit system we are enabled to give immediate credit service. The customer comes into the store, makes the purchase, gives the name and address to the sales person. That is handed over to the inspector and put in an authorizing phone in that section. In our store we have 120 of those telephone stations.

The inspector presses a button and immediately that flashes a signal to the authorizer's desk in the Credit Department who refers the name and address given to the index and if proper to be authorized presses an O. K. button which stamps the charge down in whichever section the call comes from and the transaction is completed.

In case that it should be a refer, she writes out a ticket, a pink slip on a waiting charge, a white slip on a delivery, immediately hands that to the person authorized to handle it, who confers with the ledger or other records which are handy and that person puts their O. K. on this slip and authorizes the charge.

We have made many tests for speed in our store. We do that frequently at regular intervals, just merely to catch anything which might be slow, give us an opportunity to check up any slow service to the customer. I think there is no question in anyone's mind here this morning that electricity is far faster than any other means of authorizing. I believe there is no question about that.

The only debatable point would perhaps be the accuracy or rather the protection of the account. Is it possible to authorize by electricity and the telephone as accurately and as carefully as with any other system? With a carrier service? I believe that I can show you that it is.

We have used the electrical credit system for a great many years in our store. We had an equipment put in about seven years ago which we outgrew a year and a half ago and had a new installation put in with up-to-date features. We have our indexes, visible indexes, setting up on top of the authorizing board and each one of those accounts is designated—open, refer, closed, etc. We use colors to designate the amount which can be authorized and the particular nature of the account. We are able to authorize 95% of our take-with charges immediately from that board; in some cases it amounts to more than that.

That necessitates referring approximately 5%, which as a matter of fact takes but a few seconds more. In some cases where it had to be referred to the Credit Manager or his assistant, it might take at the outside, two minutes.

Of course, a great deal can be done in your own office to facilitate the O. K.'ing of charges by having your ledgers and your records handy to the O. K. board. If you are scattered all over the office and have to refer your charges a great distance, you would be handicapped.

In the average month's business, we perhaps have in the neighborhood of two or three charges which slip through that should not be authorized. That doesn't seem like a very large amount and it speaks fairly well for the accuracy of the electrical credit system.

A great many things enter into making your system accurate and authorizing properly. In the first place the authorizers whom we employ are first of all telephone operators. We will hire no one who comes to unless they are fully equipped and well versed in telephoning. That means speaking through the telephone and able to hear distinctly able to get a name and address accurately. In fact we have girls employed who are trained in a way that I am positive they can get the name and address and

amount more accurately over the 'phone than they could if they were looking at the ticket. That might be difficult for some to believe but it is possible to train your authorizers to that extent.

That does away with the sending of the checks to the office, the possibility of returning the charge to the wrong station which frequently happens with the carrier system and which so far as I know cannot be overcome if authorizers make a mistake.

Furthermore it does away with the length of time which it would take a charge to travel even by the speediest methods from one of your



MILTON J. SOLON
National Director
MINNEAPOLIS, MINN.

basement departments up to the office on the 7th or 8th floor. In our store a great many of our departments are located a block away from the Credit Department and if we had any other system it would necessitate having several desks scattered around through our store which is large so that the system can be very well utilized by a store which is large covers a great deal of area because electricity will travel for any distance accurately.

As I say we have probably in the neighborhood of two or three what we call "fluke" charges which are authorized improperly on the credit board. That is possible of course—to authorize that many mistakes—on any system so I think it speaks fairly well for the accuracy of the electrical credit system. We seldom if ever get a complaint on service.

I want to say that in the beginning when we were learning how to conduct the service that we did have a few complaints. We found that once in a while a line was out of order and had a little mechanical trouble. We have had absolutely no mechanical trouble on our late equipment. I am not a mechanic in any sense of the word but I do know what the results are.

We don't lose any money to speak of by authorizing promptly and we authorize every single charge from ten cents up without exception—holidays sale days any other time. We have complete control of the accounts and that is something.

Of course a system can be devised to permit small charges up to five dollars to be authorized without being looked up such as was suggested yesterday, but I am of the opinion that in the end that will prove unsatisfactory, that it is not complete control of an account, because when a customer has a charge for \$2 authorized in that manner and calls a \$10 charge later and is refused, you have made an enemy of that customer. She'd say, "Why did you accept the \$2 charge?", so it isn't always in the amount that you lose on the transaction, but it is keeping control of the account, keeping your closed accounts closed and giving good service on your open accounts.

I didn't care to particularly quote figures or anything of that sort, though I see no harm in it in a gathering of credit men, and I will tell this assemblage that in the past four years, as an average during that time, our credit losses in our store have been —%, and we give speed in the authorizing.

We also maintain a pretty high collection percentage. Our average percentages for the last twelve months has been —% of the amount outstanding collected during the month. (Applause.)

PRESIDENT BLACKSTONE: Yesterday it was demonstrated that the members anticipated a discussion that would follow. In order to avoid a repetition of that today, I have requested Mr. Jackson to permit me to advance him one on the program and change it slightly thereby so that I will say that it affords me great pleasure to introduce to you the very strong adherent of the system that he will tell us about, Mr. C. F. Jackson of St. Louis, Mo. (Applause.) He will tell us about the Pneumatic Tube System for Charge Authorizing.

MR. JACKSON: Mr. President, Ladies and Gentlemen of the Retail Credit Men's Association:

I wish to preface my discussion by stating that it is a real genuine pleasure to be with you here today. I deem it an extreme courtesy that our President has seen fit to give to me a few moments of your valuable time in which to discuss a subject which I consider is of most vital importance to each of you. The subject which has been given me to discuss is "The Pneumatic Tube System for Charge Authorizing"; by the exchange of ideas on such questions as this, we will accomplish some of the results for which our association is organized. This particular subject, I believe, is especially important to credit grantors. In this joint discussion of the two principles of authorizing charges, we shall have the opportunity of bringing out the detail of methods, and detail is necessary if a proper basis of comparison is to be obtained. Some of us look upon the authorizing of charges as a minor factor entering into the Credit Man's duty; close thought, however, will show that it occupies a larger place of importance than many other factors combined; I hope we shall have, following this paper, a free discussion and a contribution of other experiences.

It is necessary, however, to make a comparison of the two principle systems for authorizing charges in order to bring out the good points of one over the other. Both have good points.

We must not take one small instance as indicative; and in contributing our experience we must consider conditions if we are to arrive at a true and valuable picture of the results.

Now, in discussing the value of pneumatic tubes for charge authorization it is not my purpose to disparage the telephone system; no one will dare say that one is all good and the other all bad. It is my earnest desire to describe my actual experience with both types of equipment which I have thoroughly tested out with Famous and Famous & Barr Co. Both systems have good points, although from my experience the weight of advantage is all on the side of pneumatic tubes.

As I have said we have had experience with both types of equipment. We first used tubes

for authorization, then we went to telephones, which we brought up to the last minute in telephone service, the equipment being the same as in use today. Charge authorizing with us has always been one object of close attention and study. After our experience with phones, we went back to tubes; we changed from one to the other in an earnest endeavor to get the best, and it is because of this, that I can talk to you about both systems from a basis of actual experience.

Our first use of the tubes was back in 1894. We were among the first to adopt this principle of handling sales transactions; and we continued to use the tubes until February, 1908. I am frank to say that our first tube system was slow or rather I should say that we wanted to give to our customers as near perfect service as was possible. It was taking on an average of 2½ minutes to make an authorization. That was all right when we first installed the tube system; it was, at that time, the fastest thing in existence, but retailing conditions changed! Stores began to build up business on the basis of service as well as merchandise. Fast and convenient charge service to customers became an important factor in getting and holding trade. Consequently, seeking for a method to speed up on charge authorization we gave the telephones an impartial trial.

Now, should I stop here it would leave you with a wrong impression; it gives me an opportunity once more to emphasize that in all our discussions we need a full explanation of conditions. We must go back and examine the circumstances which made the tube authorizing slow; in those early days of the tubes there were no automatic mechanical separators such as they have today, by means of which charge transactions are sent direct to authorizers and which in reality gives you the effect of a separate tube system for handling charges exclusively. In the early days charges went to the cashier who had to relay them through another tube to the charge authorizers. After the charge had been authorized, it was then returned to the cashier who relayed it to the sales departments. That sounds almost absurd in this modern day; so should anyone say to me at this date that tube authorization is slow, my first thought would be to inquire as to how modern his tube equipment is. In fact I know of a large store in the East where the handlings are more complex than I have here mentioned. A charge transaction first goes to the cashier, who relays it to an alphabetical distributor, who relays it again through another tube to the proper alphabetical subdivision of the index; on its return, this same transaction goes to the distributor, is relayed back to the section of the tube central in which the return line is located and is then returned by the cashier to the sales department. Think of that—clerk to cashier to distributor to authorizer; back to distributor, to cashier to clerk; six handlings to authorize a charge account. All of this is done away with by the automatic mechanical separator which our pneumatic tube system is equipped with today. Charge transactions go direct to the authorizer without the involved handlings described and the principle source of delay is eliminated.

I want to emphasize this point: That the delay comes not from the tube method of transmission but from the many handlings which were required with the earlier installations. The actual transmission through the tube was then and is now fast enough. The tube cartridge travels at the rate of about 2500 feet per minute, or 42 feet per second. With our central desk located in the basement, this means from the average first floor departments the actual time of transit is from one to four seconds, and from points further removed—the upstairs floors, it runs from five to eight seconds—much faster than a name and address can be called over the telephone. Even under the old system service would have been much better had it not been for the fact that cashiers had the double duty to perform of handling cash transactions and relaying charges. The charges therefore often waited. Now it seemed to be before we used the telephone

system that here was an ideal method. Electric Transmissions: The transactions going direct to the authorizer without relaying, and bear in mind that this was before the days of the automatic separator for tubes. It was quicker on some transactions; but on the whole it proved to be slower than the old tube system. An average record of 100 transactions taken under a variety of conditions with the present up-to-date system—(Our average today is less than one minute.) Do you know of another system that will give that service? Only one, the Coin System. Under the same conditions, the telephone authorization averaged more than 2½ minutes per authorization from the time the clerk reached the telephone until the authorization was made, with a large percentage of eight and ten minutes' delays. Mind you, that these records are not of a single transaction but of 100 transactions, made under similar conditions of business. This is the only correct way to get a comparison. Now, this record perhaps surprises you, as it did me, but here are the reasons for it. It is not my wish to say anything against the telephones, because I use them some time when my Ford car is out of commission and I want to talk to some fellow who is several miles away. The telephone system is like a four-party line; how often does the busy clerk go up to the phone with a check and find a charge in the phone and two or three waiting to be authorized? The clerk must wait until the first, second or third checks have been authorized or thrown out of the phone; look at the valuable time the clerk is losing and especially so should it occur at a busy period, not so with the tube, the clerk places the charge check in the cartridge and shoots it to the authorizing station and just as many clerks can use that station as there are cartridges; no delays. I have seen as many as ten clerks use one tube station without any delays. It's up to the credit man to furnish authorizers in numbers sufficient to take care of the cartridges as they arrive at the station, and if he fails to do that, he is to blame and not the system. How often does the name and address have to be called back over phone on some checks where names are similar? Not so with the tube; you have the check before an experienced authorizer who in most cases can locate and pass upon the check even though the name is misspelled or poorly written.

I have here an error form from a store which uses the phone system, which shows some of the difficulties in getting clerks and inspectors to authorize.

Autorizer's Report.

- Talks too loud.
- Talks too fast.
- Talks indistinctly.
- Talks unnecessarily.
- Doesn't read own checks.
- Doesn't spell out name.
- Doesn't answer promptly.
- Doesn't state whether take or send.
- Doesn't state who is buying.
- Doesn't state that take check has been signed.

I do not wish to say that it is impossible to give quick service with phones, because it is quite conceivable that you might have enough lines, several in each department and a sufficient number of switchboard operators to take care of the maximum number of authorizations that might possibly come at any one moment. But if you do that, you are running into a pretty expensive proposition—not alone first cost of equipment, but operating cost. I have the figures on one store anxious to improve their service, they put in eight switchboards with 16 authorizers and are authorizing about 2500 charges a day. This is about 150 per authorizer per day. Labor cost alone on this is approximately two cents per authorization. Our cost with tubes is about $\frac{1}{2}$ cent and from observations I have had in other stores with tubes, the average cost is one-half to three-quarters cent. In fact, one store using tubes, pays its authorizers on a piecework basis one-half cent per authorization, with deductions

for errors, and on this basis these authorizers are making an excellent income.

I doubt whether even that store which has the 16 authorizers to handle 2500 charges a day is getting uniformly quick service, because of one point which equals in importance all other points put together in obtaining speed authorizing. I can express that in two words—Consecutive Handling. It is vitally important that checks should be taken in their turn. Consecutive handling is one of the fundamental principles of the tube equipment today. Lack of it was an important fault with our old tube system. Under the old system the carriers discharged into a basket, the last one to arrive was on top and the first one was on the bottom and naturally was handled last. If, for example, there were three carriers in front of the cashier and she cleaned up two of them, and then two more arrived, that third one would still be at the bottom, and might never be touched until a spell came, in which that was the only one remaining. With our present tube system this has been overcome by having separate chutes on the ends of the tubes so that carriers remain consecutive. With the belt-type desks you get absolute consecutive handling by each authorizer in the order in which the carriers arrive. With the telephone switchboard there was no way of determining the consecutiveness of the lights as they showed up. One light appeared and the operator plugged in, while handling that call two more lights showed up. She took one call and still more lights showed, one of the first two remained unattended and unless the calls slackened to a point where only one light was showing, that one call might remain unanswered for many minutes. On one occasion, a test case, I watched one light for 18 minutes, it was over on one end of the board where the operator after clearing up plugged in.

With our tube system today the clerks dispatch the transaction to the authorizer at the same time they place the merchandise on the wrapping desk. Under these circumstances the authorized charge is back practically by the time the inspector has wrapped the merchandise. With our tube system, therefore, we have the two operations—wrapping and authorizing—being done at the same time by two individuals instead of one after the other by the same individual.

It might be surprising as well as interesting to you to know that in one of Chicago's big stores using phones, only about 6 per cent of the charge transactions are authorized by means of them. At a large Boston store the percentage is eight. This is true with a great many of the large stores. They find it possible to authorize only a small percentage of their business with phones. Most of these stores have adopted authorization for moderate amounts by floor superintendents, coins and other methods.

I visited the delivery system of this Chicago store I speak of, at one time and notwithstanding the wonderful system of conveyors and the smoothness with which everything seemed to be going, the thing that impressed me most was the thousands of small "Charge Send" parcels going through. There were little bits of jewelry and small parcels of buttons and thread that would easily go into a lady's purse. There is only one thing, Ladies and Gentlemen, that will cause a condition of that kind—slow authorizing of charge takes. This is something that must be charged up against the cost of charge authorizing. It may not show up on the books as such, however, you cannot get away from the fact that it justly belongs to the authorizing department. There are many other items of this sort that enter into the cost of authorizing, which the Credit man must interest himself in. Did you ever stop to figure the clerk's time at the telephone? Suppose a clerk has twenty charge sales a day with an average of $2\frac{1}{2}$ minutes at the phone with each authorization, we have consumed 50 minutes of their selling time. That is a serious inroad, when you figure the short store hours of today. We use the time of only one person to authorize

with the tube system. A man who has bought a certain kind of equipment naturally feels impelled to back up his own judgment, and brings out the favorable points only, when you visit him.

There is a store in Washington, D. C., where the owners tell you of the fine points of a telephone system which they have installed; yet, not long ago at a buyers' meeting they condemned the telephone system. When I talked to their Credit Manager, I certainly heard a tale of woe.

I presume I am disposed a bit that way myself, but I am speaking from my experience with both systems, and in this talk I am trying to present only those which I know to be facts. I believe if you will take it point by point, the modern tube system is superior on nearly every point. Just another thought, I believe the first fraudulent purchase was inspired by hearing the name and address of a charge customer called loudly over the telephone and I am told that a certain firm in Cleveland changed from phones to tubes mainly on account of fraudulent buying. With our tube system the actual sales check comes to the central desk and if we have given instructions to watch for fraud buying on certain accounts, we have an opportunity, and often catch the crooks instead of scaring them away.

With the tube system every charge check is sent to a central station, with the phones they are scattered all over the house. I recall on one occasion where our auditor complained very bitterly about so many missing checks. Upon investigation, most of them were missing from a certain department. Upon inquiring from the phone operator, we were told that she threw the checks in the waste basket every evening, not knowing that they were of any value after they had been passed upon.

The whole thing sums itself up in two words—Written Authorization—you see the check you are approving and keep it in your office.

One day one of the wealthiest ladies in the city came to me and said: "Mr. Jackson, I have been trading here for a great many years and I don't see why it is necessary to call my name out in the presence of everyone every time I make a purchase." I consider it a very important feature of our Tube System that the transaction is carried out in a manner that is not offensive to the customer. I wonder how many were offended, and stayed away without making complaint?

Ladies and Gentlemen, there is a lot to this subject—I could not hope to cover it with the time allotted me, but I do hope that I have presented some ideas which will cause you to study the question further and investigate it from all angles before putting your seal of approval on an authorizing system.

To conclude, I should like to present what I personally would picture as an ideal authorizing system.

First, a Pneumatic Tube System with Sending Stations frequent in every department, with three or four direct tube lines reaching the bookkeeping office, from such sections as men's high-grade clothing, ladies' costumes, furs, etc., which, in a great number of cases must be relayed to the "refer desk" which is located in the bookkeeping section. A Central Tube Desk equipped with automatic separators; receiving chutes so designed that all transactions are handled in consecutive order. Authorizers equipped with double decked chutes to distinguish sends from takes. The majority of sends going to the delivery over conveyors and being authorized from the packages.

Indexes and other equipment so arranged that the force can be increased or decreased as the occasion calls for.

That, Ladies and Gentlemen, is my idea of an ideal Authorizing System.

I thank you.

PRESIDENT BLACKSTONE: In continuing our program on this very important subject of charge authorizing, I can truly say that I am

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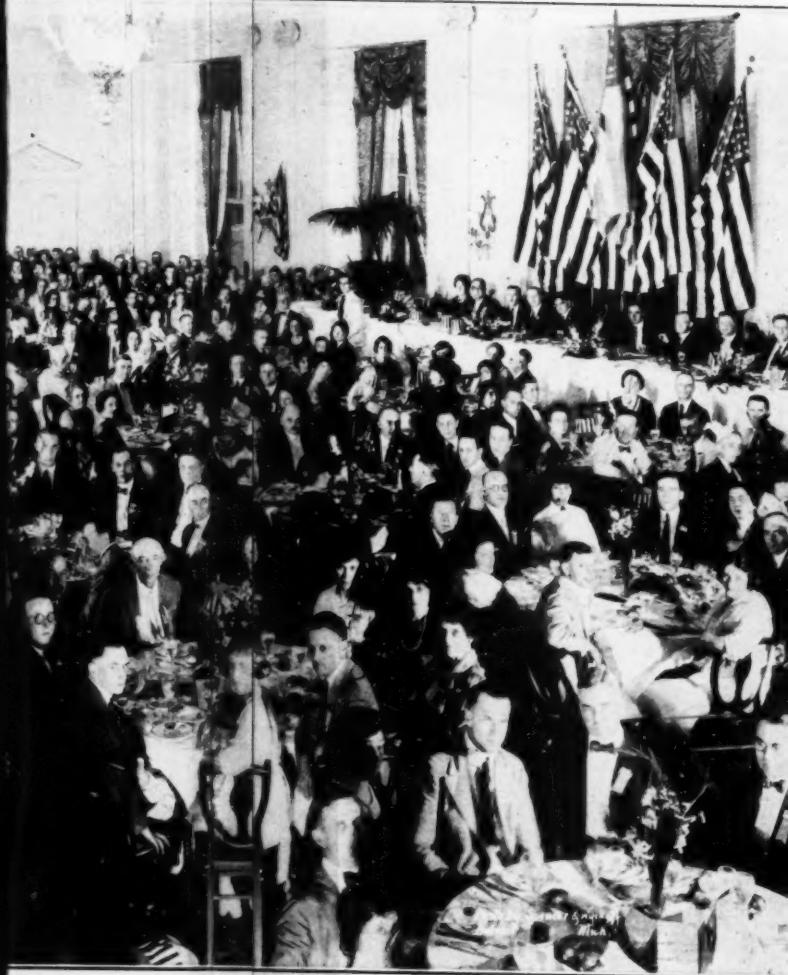
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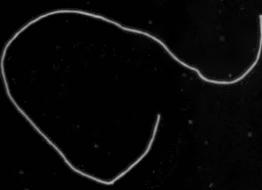
BANQUET HELD AT HOTEL STATE

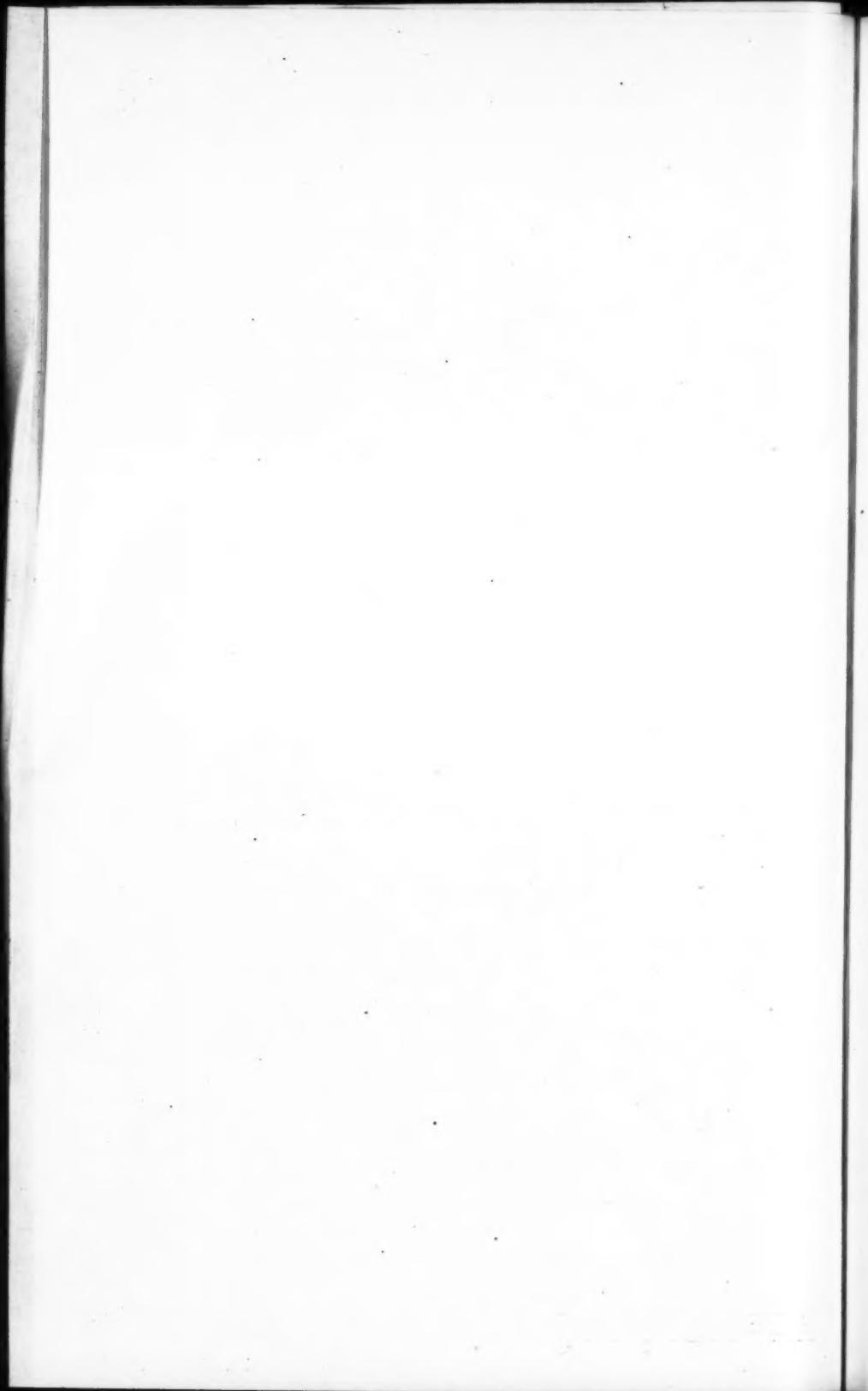


DELEGATES ATTENDING CONVENTION



HELD AT HOTEL STATE THURSDAY, AUGUST TWELFTH





pleased to introduce to you Mr. B. E. Stewart, the representative of the National Cash Register Company, of Dayton, Ohio. Mr. Stewart.

MR. STEWART: Mr. Chairman, Ladies and Gentlemen: I am very glad to attend this meeting and I have watched this Association with a great deal of interest. At one time I was considered a dub assistant to a credit man. That was a few years ago and conditions in those days were a little different than they are today. Today you show a great spirit of co-operation. Those days we did not have as much co-operation. Sometimes we wrote to another concern for a reference, that letter might lay on their desk for two or three days or a week or possibly longer before we got a reply.

You men (I won't say ladies) who were in the game fifteen or eighteen years ago know that the credit men were dubbed, a great many of them, the sales killers. Today it is a different proposition, just as Mr. Ahi said, the credit man is a selling factor in the organization just as much as the salesmen themselves.

The reason for that, I think, is due to the fact, more than anything else, that you men have got out and co-operated with one another and in doing so you found the real value of co-operation, and what does co-operation mean? It simply means service and when you come to service, I think that we can claim that we have a system which will give you service.

I am on the program here to lead a discussion. I am not going to try to give you any selling talk because I don't think this is the right place for it. We have a display here, if anyone is interested we'd be very glad to tell you what the system will do and tell you anything you wish to know, but there are a few things that I think should be brought out for discussion and there are a few things in Mr. Jackson's talk which I would simply like to make a few remarks on.

Mr. Jackson says he has had experience with both systems. He also said in another part of his talk that the system he had in tubes, the old one, was absolutely different from the present. Now, the telephone system that he had before was one of the very first that we ever made. It cannot be compared with today's system, and another thing that I wish to say right now is this: If you really want the real merits of the two systems, go ahead and investigate, but be sure that you get up-to-date systems on both sides. Make some time tests. I have had a number made within the last month and it really surprised me, the difference in time.

It is very seldom that we find a store using a telephone system, I'll say not over five years old, where the service is not 30 seconds or under. I don't want you to take my word for that, verify it. We would be glad to give any of you men a full list of our users whom you can write or telephone or talk to, any one of them, and the majority of those men have had experience on both systems.

The first thing we claim for it is speed, and as I said before, find out for yourself, test them out in some of these stores but in making your tests, test them from the time the sales check is made out and either handed to the authorizer or put in the phone until it is back and authorized, ready to deliver to the customer. That's the only way to get a fair test of either system.

Speaking of tickets around the store, I spent a good many years in a department store and during my time I worked in the credit office, I was auditor, later on working on system work and I know from my talk with other store men that they all had trouble with lost charges. I was with that store when we used other systems. I was with them after we put the telephone system in and we had lost charges in a good many of them under both systems. That is something that it's pretty hard to do away with completely in a big organization, but there is another thing to take into consideration also and that is the tickets with our system come to the office in readable form.

I don't want to blame any other system for the tickets not being readable, but nevertheless you know and I know that the tickets after they have been folded up and straightened out a number of times are pretty hard to read. The tickets that come to you with our system are flat; it isn't necessary to fold them at any time.

There is a question about clerks waiting for the phone. There are two points I want to bring out there. One is this: Probably a good many of you men have never had our system explained to you. The clerk comes up after the sales check is made out, slips this into the phone and presses the button. She then picks up the phone, calls off the name and address and the amount. The wrapper wraps them up and I will guarantee in nine cases out of ten that is authorized before she gets the goods wrapped. She does not waste any time. If we have an inspector who does the telephoning, then the clerk spends no more time than she does with any other system.

On the cost of authorization, I don't want to go into that here, it's too long a story, but if any of you men are interested in that, we will be very glad to figure it out for you.

In every system that I figured on I found that the cost of operation with our system was smaller than with any other system.

Another point was brought up, that a customer's name heard over the phone, and by the way, that is the only real objection we have ever had to our phone and when you get right into it you will find those are so few and far between that I don't think any credit man would have any real objection, any man who has used the system—we get men who object to the system, but almost invariably that man has never used it; if you want any information get someone that knows about the system and you find you ask any credit man, I don't care who he is, who has used our system how much trouble he has had over hearing the customer's name called over the phone and you will find it is almost nothing. As to the name being called over the phone, I have had experience with that because when I was in a department store I used to watch those things pretty closely and here is what I found out: That if a crook wanted to get the name of a customer, he would get alongside of the customer and get her name and address, but he's not likely to step up and call that name and address when she is standing somewhere near.

As far as fraudulent buying is concerned, I don't consider there is any more chance on the phone system than any other, and what is more, I consider there is less.

A great many stores have told me, and I know it to be a fact, that the fraudulent buying has been decreased. Here is a letter that I have, and I don't think there is any objection to using it because they told us on their own free will and they knew we were coming to this convention. They say that with their present system their charges are authorized under 30 seconds for an average. That is with a telephone system. They give the figures of what they were, under the old system. They also speak about the number of charges that can be authorized. When busy, it takes a good deal less time for an authorizer to authorize a charge with a telephone system than with any other because it is simply a matter of looking at your index or if you know the name and know it is all right simply pressing the button. Naturally she can handle a great many more authorizations than she can any other way.

If you think there is any hold-up and congestion, just go to some of these stores using telephones and see. There are possibly two or three systems in this country that are congested, but I will tell you why, and they know it, and I think they'd be truthful with you. It's simply this, that these systems were put in a number of years ago, the store and the business has grown and they have not enlarged the system, but you find very, very few of them and the average is so small that if you make tests in a

number of stores I will guarantee that our tests will show up good enough.

I know from my own past experience that in a great many cases a ticket was sent to the office to be authorized. It wasn't all right. The authorizer had to come to the Credit Man or his assistant and it takes a little time, especially if the Credit Man happened to be busy, and by the time they get word back to the customer, that customer has put up a big kick, the floor man has O. K.'ed the purchase and let it go. In this way it is only a matter of a few seconds before the buzzer rings on that 'phone and the clerk knows more information is wanted.

Perhaps they ask the customer to step to the office. It is done so quickly before the customer has any excuse to get out.

They also say fraudulent buying is practically a thing of the past. They claim they can catch ten with our system where they can get one with any other system. Now, I am not going to take up any more of your time because the only reason I brought these points out is simply so you can discuss them. They are the points that I think should be discussed.

I am not going to take up more of your time at the present. If there is any question that you want to ask, I will try to answer it or call on some of the gentlemen in this audience who are using our system to answer the question for me.

Mr. Jackson spoke about a Washington store. The two stores there that have used the system the longest time are the Lansburgh & Bro. store and Woodward & Lothrop. I know they are both getting good success. I don't know whether Mr. Fischer is here, but I do know that they are thoroughly satisfied with their system and I think Mr. Mark Lansburgh is here—he's been Credit Man from the time that system was put in their store and previous to that, and either one of these gentlemen can tell you what the system is doing for them.

The Palais Royal system has only been installed a short time. They might have a little trouble in getting their people used to it.

I thank you very kindly for your attention. If you have any questions further, I will be glad to answer them. (Applause.)

PRESIDENT BLACKSTONE: In continuance of the presentation of these two systems, Mr. John D. Clarke of Boston, the official representative in this discussion of the Lamson Company, will speak on the pneumatic tube system. Mr. Clarke. (Applause.)

MR. JOHN D. CLARKE: Mr. President, Ladies and Gentlemen:

I consider it a privilege to appear before you in convention and give a brief statement of facts on the subject of Authorization.

You who study cause and consequence with an analytical mind will agree that this topic is a vital one and we may say, the cornerstone of real service as exemplified in retail store life.

Among the trials and tribulations of the Credit Man, there is no question of greater moment, where responsibility is paramount, than prompt, correct and safe authorization.

The ever-increasing percentage in the number of charge accounts, and the desire on the part of progressive merchants to solicit and develop accounts of a healthy nature, make it doubly incumbent upon the Credit Man to use every possible means of protection and efficiency, to insure his concern against all possible loss that he may render an account of his stewardship that will typify up-to-date methods and systems, rather than be obliged to present an alibi of faulty results by way of a large percentage of complaints and subsequent losses on accounts as a result of loose control.

To arrive at a logical conclusion let us visualize the elements of authorization and its functions. True, the operation of a Credit Department has many ramifications, but should we eliminate two of its unbusinesslike features, we will have rendered great and lasting service to

the customer as well as the merchant, and accomplished something that will lend towards the upbuilding of the business.

First there is the "delay in service at the time of sale" and secondly the "proper control of limits upon open accounts," which last, to my mind, is the real bugaboo of the Credit Man's work. If we could overcome these difficulties, we would remove the ever-increasing growth of bad debts that today is making the Credit Man's position anything but a sinecure.

Let us, therefore, analyze the proper course for the authorization of charge accounts, and sitting in judgment with our minds open and receptive, reason with ourselves the best method of operation, to accomplish a successful result.

I had been under the impression that my intimate experience of eleven years with retail credits, had acquainted me with some of the best methods of credit operation, but in my travels throughout the country during the past eight months I have had the pleasure of interviewing the Credit Men of more than 350 stores, comprising the largest as well as the smaller stores doing a charge business. I have also, in the course of my travels, closely noted the various methods and appliances used by credit departments, and the results accruing therefrom.

You Credit Men will agree that in no instance can you make a more comprehensive and intense study of present ways and methods than by travel and the application of sincere thought in work of this kind. Therefore with a purpose uppermost in my mind to gather the best information possible and carefully watch the application of various kinds of systems, I am able to present to you the following facts and figures for your consideration.

In days gone by, the Credit Man was looked upon as a bookkeeper and controller of accounts receivable and as such held a position of secondary importance. Today he has come into his own, and girded with the lance of authority, strengthened by the armor of financial responsibility, he sits as an impartial judge, flaying deceit and fraud, guided by a consciousness of a just cause, he battles for fairness with real courage, cheered on by the clarion call of ever increasing hosts of Credit Men calling to him to "carry on" in this glorious work of development for the financial good of our people.

So today, in our duty to one another, we must disregard the old and antiquated systems of credit interference and bonded together in this meritorious campaign, yea, like the apostles of Biblical times, we must go forth and do our share in preaching Credit Truth to the community.

Our first step must be to equip ourselves with proper methods and systems. In fact, the extension of credit is liken unto a locomotive. We will say the wheels are the methods of advertising and sales promotion, the information from the application, reports and references, the fuel: "Store service" the driving pistons, and the Credit Man the engineer. The freight is the capital of his concern. As he sits in the cab with his hand on the throttle valve of authorization, the methods and systems he adopts will decide whether the journey will be a long or short one, a profitable or unprofitable one, or whether it will end in a financial wreck.

The responsibility of the Credit Man starts at the moment the application for credit is made and when the charge account is accepted and the customer selects merchandise to be charged to her account, he must show that the system he employs for the delivery of the goods, whether they are to be taken at the time of selection or sent through the delivery room, are a successful culmination of a desire to render efficient service and typifies the finest methods of modern merchandising.

How often we hear complaint and more often unfavorable comment from customers as well as the selling force because we do not employ the proper means of authorization. Our slogan should be "Speed with safety and accuracy," never unmindful of the fact that the cost of

operation is justified only by the volume of business, the character and number of accounts and the policy of the concern. Close study of these essentials will determine the basic plan of operating expense.

A system to control the rise and fall of daily sales must be one of absolute flexibility. The barometer of daily selling is more uncertain than the weather and in preparing to accommodate a maximum or minimum load during any interval of the busy day, we must make sure that mechanically we have the most approved methods and appliances and thereby assist the human element of supervision in overcoming delay and its attendant causes of dissatisfaction.

In the method of transmitting the charge to the Credit Office or point of authorization, a take-with purchase must be given precedence over the authorization of a "charge-send" sale. One represents the customer awaiting the delivery of merchandise to her at the counter upon notification from the Credit Office that the delivery of same has been approved, while on a charge to be forwarded to the customer through the delivery system, a trifling delay in authorization does not materially retard the rendition of good service. In fact, the one-a-day delivery system, which is the result of war time expediency, is still maintained by many merchants and continues to merit the approval of public sentiment. In this connection it must be borne in mind that the efficiency of the sales person in her duty of selling should not be delayed awaiting the transmission of a charge to and from the point of authorization.

The credit handling system plays a larger part than is customarily realized in the efficiency of the selling phase of business. In these days of high cost of salespeople and growing percentages of selling expense, any system adopted must be such as will not handicap the salespeople in gaining fullest efficiency for each hour of the day.

Here is the credit man's opportunity as a business builder—an opportunity that takes him into the real constructive work of increasing the firm's income, in addition to decreasing the firm's expenditures and percentage of charge losses. The system should be so designed as to require an absolute minimum of the clerk's time after the customer has indicated her selection of the goods. Two operations remain to be performed after the actual sale of the merchandise: first, the wrapping; second, the authorizing. Whether the service be clerk wrap or inspection, the clerk's time is saved by having these operations performed at the same time by two individuals instead of one after the other by the same individual.

Such service not alone saves clerk's time, but saves customer's time; and with such an arrangement, no customer will find fault with the service; freedom from customer fault-finding again being a factor in increasing the income of the firm.

The second consideration is the method employed in approving the charge on arrival at the point of authorization. If an index is used containing the name, address, limit or such signals as are now used by various concerns to give special information for the purpose of passing charges, the index system must be one that will admit of instantaneous verification. The daily change of signals should be handled punctiliously.

At this time I will call your attention to a most important feature of charge authorization; that is, wherever a charge check is authorized, it should show the authority of the operator. What justification has an operator to approve a charge sale, whether for 5 or 100 dollars, without a stamp identifying the authority of the individual passing the sale. Too often have I seen the results of such a lack of business application and we must therefore insist upon the identifying stamp of approval. I cannot lay too great stress upon the psychological effect of such a course. Its use develops efficiency and

accuracy, its absence a deterrent and progenitor of carelessness and indifference.

Since the human element enters greatly into the character of this work, charge authorizers should be selected from a standpoint of business ability and judgment, rather than from a monetary consideration.

The Credit Man without collateral has the unrestricted control of the volume of charge business of his concern, sometimes running up yearly into millions of dollars, and as he is obliged to delegate certain responsibility upon the shoulders of his authorizers, if you desire a profit and loss statement which shows the minimum percentage of bad debts, you should select your charge authorizers with infinite care and insist upon supervision that is absolute and not perfunctory.

If your method of authorization is from the ledger or from a carefully checked up index of customers' names, which as a rule makes it necessary that a substantial portion of the accounts be referred to the credit manager, no rewriting of the detail of the charge should be allowed to delay the prompt approval of the same.

At this juncture I will state that a careful study of bad accounts uncovers the fact that over 90% of charges on bad accounts could have been prevented by proper authorization and credit control. You can have all your systems of identification, such as coins, cards, florinmen and others, even signature of the customer; but they will not safeguard your accounts. Reverting to the simile of the locomotive, such methods place upon the Credit Man the responsibility for safe voyage, while the throttle with which he controls the train is dislocated and incapable of operation. Real control is possible only by the stamped approval of authority on the sales check certifying the accuracy of the customer's name, address and the actual amount passed by the authorizer at the time of sale. Such certification can be obtained only by visible inspection of the sales check by the authorizer before approval.

Is it fair to place upon the Credit Man the responsibility for thousands of dollars' worth of merchandise without the possession of the charge voucher or sale check at the time the sale is approved? Are you justified as a distributor of your firm's capital to take the say so of a salesperson or inspector that the charge is for Mr. or Mrs. So-and-So, the amount so much, the purchase is being selected by herself without the sales check? Would you assume the responsibility of cashing bank checks and allowing them to remain out of your possession in a promiscuous manner where they might be lost or mislaid? No, my friends, we cannot dispute the importance of actual possession of the salescheck at the time of approval. The importance of accurate and instantaneous delivery of the written message is no better illustrated than by the fact that during the war the allied fleets were equipped with pneumatic tubes for the transmission of radio messages from the wireless station to the bridge. The United States Government set the seal of their approval on this method of transmission because of the fact of its reliability being beyond dispute and because the transmission of the actual written message prevented possibility of error—error which might mean the loss of thousands of lives and millions of dollars' worth of property, and untold disaster at a turning point in the battle.

Returning to the pursuits of peace, to the swift marts of business, where method and system must be as complete as possible, we need look no farther than the New York Stock Exchange—the largest of its kind in this hemisphere—vast sums of money are involved and a single instance of delay or inaccuracy may mean loss that entails enormous sums—here pneumatic tubes are employed for the transmission of every order to buy or sell from the floor of the exchange to the brokers' stations. There are actually 569 dispatching stations for the transmission of those orders in operation. Possession of the actual orders having, through long years of experience been found absolutely essential to proper and safe conduct of the business at the same time making possible the

million and two-million-share days which have so amazed the public of this country during the violent fluctuations of the financial market during the past two years.

Again, I cannot allow this opportunity to go by without calling attention to the tremendously efficient system by which over 100,000 orders—100,000 individual orders, a large proportion of them containing more than one item to be filled, making the equivalent of several hundred thousands of orders—which are each day handled by Sears, Roebuck & Company by means of pneumatic tubes. Here again is illustrated the vast saving of time, without which it would be impossible to operate this, the largest mail order business in the world today.

Now, ladies and gentlemen, I am deeply grateful for your indulgence in listening to this brief summary of facts and figures which I have placed before you. But I must not take more of your time, for I have been asked to lead the discussion which such an important subject must arouse; and I feel sure that many among you, because the efficiency of your system determines whether it is a weighty asset or a weighty liability, will desire to throw further light upon the subject by a contribution of your own experiences. And I should like to begin the discussion by calling upon a few of our well-known members who have given a great deal of careful study and thought to the matter of authorization.

PRESIDENT BLACKSTONE: Before continuing this discussion which has been so ably presented to us by four experts in their respective lines, I desire to revert back on the program to the introduction of the Mercantile Agency men.

There are, scattered throughout the length and breadth of our wonderful country, agencies that work for the betterment of the retail credit trade. These agencies or bureaus or whatever we are pleased to call them, have been in existence prior to the organization of the Retail Credit Men's National Association. In many cities and towns throughout the United States they are giving service of a character that is not subject to criticism.

Whether it is the pleasure of some of our members here to be pro-merchant-owned men or pro-agency men is not a factor to me when I present to you the gentlemen who represent the National Association of Mercantile Agencies, one of the most important organizations from the standpoint of the credit man that there is in this country today.

I will ask Mr. Rauch, the President of that Association, to introduce the officers and directors who are here assembled before you. Mr. Rauch, President of that Association. (Applause.)

MR. RAUCH (Newark, N. J.): Ladies and Gentlemen: It affords me a great deal of pleasure to appear before this body as the President of the National Association of Mercantile Agencies. Eight years ago I was one of the pioneers who created your organization because we believed it was for the betterment of the service of the mercantile agencies and that our interests were mutual and alike, and it gives me great pleasure to introduce to you our First Vice-President, Mr. Radway of Boston (applause); our Second Vice-President, Mr. Caten of Pittsburgh, where all the good presidents come from (applause); Mr. Holloway from Alabama, where good water flows (applause); and last but not least our hard-working Secretary and Treasurer, Mr. Truesdale of Youngstown, Ohio. (Applause.)

PRESIDENT BLACKSTONE: I wish to thank these gentlemen for coming here and for permitting me to present them to you. Thank you. (Applause.)

Word has come to me from several sources during the progress of this discussion on systems of authorizing that the exhibits that are in one of the other rooms are the best that have ever been presented to a prior convention. I would, therefore, impress upon you the importance for your own satisfaction and for your own education along those lines, of seeing these exhibits, not merely giving them a casual glance but a careful study.

We will now continue the discussion on the pneumatic system of charge authorizing and the telephone system of charge authorizing, and I will leave it to the speaker to select his own and announce his name as he addresses the Chair.

First, however, I want to ask at least three or four of our new members who are attending their first convention of the Retail Credit Men to give us their ideas on this subject before some of our old-timers get on the floor and usurp all the time that we have left.

MR. BYNG (Springfield, Mo.): In Springfield, Mo., the firm I represent uses the electric system of charge authorization. Suppose I go into the baby shop and purchase an article amounting to \$1.50. My name and address is called out over the telephone. There is a gentleman standing right behind me and should he immediately go into the men's store and buy a silk shirt and charge it to my account, that is properly authorized. When I refuse to pay for that on the first of the month, what will the credit man do about it?

MRS. CHRISTOPHER (J. W. Knapp Co., Lansing, Mich.): We have had a telephone system for two years. We never have had any charge come up over the phone that was fraudulent. We have had fraudulent charges where people are very friendly and have taken the opportunity to buy on the charges of some other person's name, but we require our operator to give the message in a low tone of voice or a whisper.

And as to speed, we are in a position to give our customers more speed, more real service with our telephone than any system we have ever tried. However, we never have tried the control system. The only real objection I would say that we have to the telephone system is that sometimes women will take exception to their names being called over the phone if the operator happens to speak a little louder than is absolutely necessary, but I would speak in favor of the telephone system.

MR. WALTER (New York): I want to get some information on the matter of the electric authorizing system from the members on the floor who come from large establishments. I mean by that, who have charge checks amounting to over seventy-five or a hundred thousand per month.

In the discussion this morning one point was not brought out as to whether all the sales checks, both take with and charge, are authorized over the phone, whether all the sales checks are authorized or only the take-with.

MR. SNIDER (St. Louis): As a rule, in the majority of stores, the electric system is used for take-with merchandise. I believe in nearly all the large department stores of the country that are doing a business of eight or ten million or over, the majority of those stores, the send merchandise is sent and authorized in the delivery department. Marshall Fields use the electric system for take-withs. Mr. Solon, in Minneapolis, uses the electric system for both sends and takes and I think as a rule and a policy the send and take-with merchandise should be divorced. If you do not, you are going to, through congestion, delay the service you try to give and that is prompt service to your "take-with" merchandise. It not only enables you to satisfy your customer, but it avoids congestion at stations, as well.

MR. WALTER: I want to ask two other questions now, if you don't mind, for a general answer, because I have a problem before me. The last question was answered very aptly. What protection does the store give the gathering up of sales checks during the day or at the close of the day? The delegate from Minneapolis said they have 120 sections, which means they have 120 sections in which sales checks must be gathered. That is a matter of interest to the Credit Department as well as the Audit Department. That means that there are 120 points at which schedules may be lost.

MR. HOOPER (Birmingham, Ala.): I'd like to answer this gentleman's question. In my own particular case we employ both systems. We have the telephone charge O. K. system for take-withs and the Lamson tube system for send-

outs. The check is O. K.'ed by the National Cash Register or O. K. system, is then transmitted to the office by the Lamson tube system at the end of the day.

MR. SOLON (Minneapolis): There is a distinct advantage in making the collections from the floor. The sales checks come up sorted by departments, which eliminates sorting in the Audit Department. Collection is made in our store four times a day, twice before one o'clock and once about 3 or 3:30 and once at the close of the day. That is done by a clerk in the Auditing Department.

Those are checked up the next morning to see if there are any missing checks and if there are, they are looked up, but the distinct advantage of that is that we get them already sorted by departments and it doesn't require the sorting of the checks in that manner which is in accord with our system.

MR. WALTER: The next question, what protection or what experience have the members using the 'phone found on what I refer to as inside jobs, not necessarily fraudulent buying or the customer that comes from the outside. We who have been using the tube system are naturally prejudiced for holding our hands to the original schedule made by the clerk. If a sales clerk inserts the check in the 'phone, a sales check, calls up such and such a name and address which is perfectly good for the amount involved, but substitutes some other name and some other address resulting in the O. K. on the good customer and the goods being sent to some entirely different person, the point being that the authorizer does not see the schedule O. K.'ed, what is the experience in that direction? Of course, that means collusion on the inside.

MR. HORTON (Knoxville, Tenn.): My experience was this: One year ago this past July we installed the National Electric 'phone system for experiment only. We did not put it in right then the registers. We installed the 'phone system, tried it until January this past year. We threw out the 'phones and put in the pneumatic tube system.

One big reason we threw out the 'phone system was due to the fact that as the gentleman just spoke, if the error caused by the clerks inserting charge tickets that were perfectly good, a charge customer that would be credited and whose credit would be unquestioned, and then inserting, substituting some other name for that name. The authorizer would O. K. that charge and the next day the charge would come up—naturally no one would know anything about who O. K.'ed it. There you are. It was O. K.'ed by the authorizer, yet no one knew anything about it.

That is one of the weak points we had and is one of the reasons that we threw out the 'phone system.

MR. BROWN (Dayton): I would like to ask the users also of the electric system whether they have had any trouble with the clerks mistating amounts over the 'phone and in that connection who would they hold, the clerk or the authorizer? The clerk may say the check is for twenty cents, whereas it is really for twenty dollars. The credit department may not want to grant the \$20 credit, whereas the small amount is all right.

MR. STEWART (Dayton): I have never heard of a case of that kind, but on the other hand, under limits, you can keep your limits better with the credit system than you can with any other because your desk is in the office and your information is immediate, so they usually authorize charges down to a smaller amount on the telephone, they all go to the credits, you have a chance to watch your limits a good deal closer.

On the other question, I'd like to have the men who have used the telephone system answer that. Personally, I haven't heard of a single case. I don't think there is much going on or we'd certainly hear of it.

I don't know who of our users are here, I haven't met anyone; haven't talked with anyone, but I saw Mr. Lansburgh over there some-

where. They have been using the system I think four years and I think possibly he can tell us something.

MR. LANSBURGH (Washington, D. C.): As to that last question, to my knowledge that condition has never occurred in our place at all in using the telephone. We have been using the telephone system for authorizing for four years. It may have happened, but it never occurred to me, to my knowledge.

Regarding the fraudulent buying, we've done a great deal to eliminate that in Washington by requiring signatures on sales checks where it's a take-with. Now, it's true that we do not get that check to the office because we authorize over the electric system, but it undoubtedly has a moral effect because in our own establishment last Christmas, during November and December, our losses with fraudulent buying amounted to only a few dollars whereas before that the losses had been a couple of hundred.

Regarding Mr. Walter's question of the loss of the charge checks as they are collected from the departments, we have found that once in a great while a sales person will probably take the charge check, if she's busy, and stuff it in the pocket of her apron or lose it or something, so we use triplicate charge book and the Auditing Department, if they miss that check, which is, of course, numbered serially, all they have to do is to make out a duplicate check and bring it to the office for final authorization.

We have had that happen only a few times, but we never have a lost check because the tissue, of course, always remains in the book.

One of the points on this particular system, the electric system, that no one seems to have mentioned and which in our case has been one of the very biggest advantages that we could recite, is the ease of changing it. One-half of our store area is a new building, built four years ago. We thought we had all of the departments laid out very beautifully, but it seems to me that every month we change some department either to some other position on the same floor or to the next floor and we have a great deal of changing of departments in trying to get a more ideal location for them.

It's a very simple matter to take two wires and run them around the moulding somewhere and connect your authorizing system to it. In the old days we had the Lamson cable system and I presume that is even more flexible than the tube system is today, but I know whenever we changed a department we had to very carefully figure out the placing of the new station and it entailed quite a little labor to do that.

The system, as a whole, in our place has worked out splendidly. We are all tickled to death with it. The executives of the store, the buyers and everyone seems to like it. If there is any question concerning it that I could answer at any time while I am here, I will be glad to do it.

And Col. Blackstone, if it is not out of order, I brought with me something I'd like to mention. I had the privilege of using this for the first time of any store in the United States. It's the permit to send out first class mail matter under what the Post Office terms "circular indicia." We have all sent our graphanols mailing lists and things of that sort out, but in this case you simply pay first-class mail, postage two cents, mail permit No. 1, and then postmarked with a circular postmark the city and the date. The advantage of this is that you don't have to stamp any of your envelopes, you face them and weigh them and send them to the Post Office and by reason of the fact that they do not have to go through the cancelling machine, the Post Office grabs them the minute they come in and sorts them in to the mail bags. It probably saves a few hours and on the last day of the month you can get your bills shot out first, it's a big advantage.

We have tried this twice on bills and once on a circular of a sale. It has worked out very splendidly. No stamps were lost off, no waste in stamps on torn envelopes, and I brought along about a dozen of these envelopes which I will put back on the table there.

PRESIDENT BLACKSTONE: I suggest that you deliver the stamps you have to Mr. Pindexter, Chairman of the Committee on Credit Literature, who is in charge of the formal exhibits.

Mr. Gray desires to make a partial report of the Credentials Committee now. He has been waiting for an hour to do this. I should apologize to him for not putting him on earlier in this discussion. I might state, incidentally, that you will hear more from Gray later on. He represents the city with the 100% notation on the banner at the left.

Mr. Gray submits partial report of Committee. The complete report was submitted at a later session.

We will now have a discussion on the pneumatic tube system for 12 minutes.

MR. LAWYER (Memphis): The representative of the National Cash Register Company has asked some user of their system to answer the question of Mr. Walter, which has been answered by Mr. Horton, but in a manner which might leave the wrong impression.

Mr. Solon has just stated to me that he has had no experience similar to the one reported by Mr. Horton. At our store we have been using



HELEN I. CROUL
DAVENPORT, IOWA

the electrical O. K.'ing system for ten years and we have never had such an experience. The experience I refer to is of someone coming in, in collusion with the cashier who phones the check to the office and the cashier instead of 'phoning the correct name which has been placed on the charge check by the sales person 'phones the name of someone who has a good account and the charge is thereby authorized and the customer gets away with some goods which she is not entitled to.

In the case of collusion on the part of an outsider with a cashier in our store, you may all readily see that the store can be beaten in a number of ways. We have never had such a case as that, and as to the other question asked by someone about calling up the wrong amount, it's a similar case of collusion with someone on the outside. Now, of course, the wrong amount might be called up by mistake on account of the figures being illegible, but that same thing is true of any system. If the check is made out illegibly, the one who looks at the check and authorizes it might make the same mistake.

In answer to the question of Mr. Brown regarding large amounts, that is merely a question of identification of the customer. If the party

is good for the amount the check is made out for, the Credit Department O. K.'s it, but it depends upon the local conditions in your store as to identification or take-with packages as to how you will handle that.

In our store we require the identification on the floor. The Credit Department takes no part in that and if the party is good for the amount the check is made out for, the Credit Department of course O. K.'s it.

I'd like to say, while I am on my feet, that we have authorized as many on a number of days as three thousand charge checks over the electrical O. K.'ing system with one operator. It can only be done under the conditions under which it is done in our store. We have a lady with a most remarkable memory who has been on this job for ten years and she knows fifteen thousand accounts, and you can see how quickly such a person may authorize charges.

MR. STEWART (Dayton, Ohio): May I answer the question about taking care of sales checks? I listened but didn't hear it answered.

With the newer type telephone there is a little drawer underneath and it is a very simple matter to slip that sales slip in there and it's a good place to take care of it. You know and I know that in the old way a great many sales checks stayed in the department for a certain length of time, may be handed out by the sales person or by the floor man, and the best place for those is on a spindle. They get lost sometimes. Here is a place for everything, and you slip them in there and they are not covered up in any way and it's a nice, clean place. That is not on the old 'phones. That is probably why these men didn't tell you about it.

MR. SCHICK (Detroit): Mr. Solon made the statement that it was to some advantage to the Auditing Department to have the charges gathered in department order. Now, I have been making a canvass in the various cities to find out how many of the large stores are auditing their sales checks before they are billing them. I'd like to get an idea of how many of the delegations are doing that. (About 80 or 100 hands shown.)

MR. LAWYER: We have a plan on our auditing—I don't know how many stores use it, it may be used by a great many—we do our billing and our auditing at the same time from the original check in both cases. That is from an original writing. We have a stub on the original charge check which is used by the Auditing Department; it is called the auditing stub. It contains nothing but the department number, the clerk and the amount. Of course, the number of the check is printed on it.

In that way you pass your original charge check with the name of the customer and all the other facts to your billing department and use this auditing stub to audit from. Of course it is necessary, under such a system, that the Auditing Department examine the check to see with the figures on the auditing coupon agree with the figures on the original check.

PRESIDENT BLACKSTONE: Ladies and Gentlemen, if we have an opportunity at a later period of the convention and you desire it, it shall be my pleasure to bring up before you this same question again but it is now necessary for us to proceed with the original program.

We have with us at this convention a delegate from Davenport, Iowa. She is the first woman to have her name entered on the regular program of the Retail Credit Men's National Association—at least I have this information from all the old-timers and they ought to know.

It therefore affords me more than ordinary pleasure to introduce to you Miss Helen I. Croul (applause) of Davenport, Iowa, who will speak on "A Credit Reporting Association Successfully Conducted by Women," Miss Croul. (Applause from audience standing.)

MISS CROUL: Mr. President, Ladies and Gentlemen: I appreciate the honor keenly.

Mr. Woodlock, knowing woman's fondness for talking, wisely limited my speech to fifteen minutes, but if I were obliged to talk fifteen minutes

it would be a great hardship for I am sure I can tell all I know in much less time.

In taking for my subject "A Credit Association Successfully Conducted by Women," I would not have you infer that the Davenport Rating Association is owned and controlled by women. On the contrary, it was organized by the business men of our city and is governed by them. We have a President, a Vice-President and fifteen Directors who meet once a year for the election of officers, at which time they re-elect one another and pass a resolution or two such as making it the duty of the Secretary to attend the national convention each year (applause) and sometimes increasing her salary.

Our office is conducted by the Secretary and three young women assistants. Two years ago when the matter came up of appointing a new Secretary to succeed the man then in charge, there was much opposition to the idea of giving the position to a woman, the contention being that woman could not go out and secure new members and attend to other outside matters. This opposition was finally overruled and a woman was placed in charge and it is for you to judge whether she has made a success or failure.

At the time of the resignation of our former Secretary, we had 113 members, a debt of \$1,050 and an income barely sufficient to defray running expenses. Today we have 192 members, none of which have ever been secured by any of the Directors. I might also add that we have a Grocers' Association in Davenport with a membership of 110, which means that we have very few grocers in our Association. We have no debt, we have added a thousand dollars' worth of equipment to our office and have a very comfortable bank balance at all times, notwithstanding much heavier running expenses. Our card file and office equipment is estimated to be worth ten thousand dollars, whereas when our Association was started five years ago not one dollar was invested in the proposition by anyone.

It is not my object to disparage the efficiency of men secretaries (laughter) but I am inclined to agree with the little girl who wrote a composition on "Men," when she said:

"Men are what women marry. They drink and smoke and swear but don't go to church. Perhaps if they wore bonnets they would."

"Men are more logical than women; also more zoological."

"Both men and women sprang from monkeys but women sprang farther than men."

(Great laughter.)

The keynote of whatever success our Association has achieved has been first, last and always service. It is our reputation for service which brings new members into our office to sign contracts unsolicited and it is service which places the Davenport Rating Association on a par with the best credit association in the United States today.

Davenport has a population of 65,000 and we have 65,000 cards in our file. But to dispel any apprehension that we have every one listed down to the babes in arms, I would say that Rock Island and Moline, just across the river, are considered a part of our city, giving us a population of 125,000, to whom we furnish credit information. We answer an average of 70 calls per day.

The first year I was Secretary I thought I knew a great deal about the way an association should be conducted but upon attending the National convention a year ago, I discovered that my education along these lines had just begun. The help and inspiration I received from the St. Paul convention gave a new impetus to our Association.

To Memphis I am very greatly indebted for many of our advertising ideas, taken from their pay promptly campaign bulletin, and I am hoping some other city will distribute a similar booklet at this convention from which to get ideas for another year. We place an advertise-

ment in both our papers once a month, to which we append a complete list of our membership. This we feel protects our members from persons who seek deliberately to defraud their creditors. It is good advertising for the member to have his name among the business-eject of the city. It is a good talking point in securing new members, for all business men like as much publicity as possible.

From listening to the various talks about meetings of credit people, I organized a Credit Club along the lines described and it has been in successful operation for almost a year. Prior to that time the credit man or credit woman in one store did not know their next door neighbor engaged in the same kind of work. Today we have a very friendly feeling existing among our credit people and co-operation has been given a new impetus.

We have more credit women in Davenport than credit men. They are employed in all our largest department stores, in all our ladies' ready-to-wear stores and one men's ready-to-wear store and shops of various kinds. They are filling their positions capably, efficiently and with great satisfaction to the firms employing them.

Our Credit Club meets once a month at the Commercial Club at dinner, with an average attendance of 36 members, each members bringing a list of delinquent accounts, addresses wanted, etc., and I believe I am correct in saying that every firm represented at these meetings has received information which has resulted in financial benefit.

In order to get our credit club started, we issued invitations to a banquet to all members of our Association and their credit people, making it plain they were to be the guests of the Association. (Laughter.) Our Directors thought if we had 50 responses it would be quite as many as we could hope for, but we had 156 present and it was so enjoyable we have decided to make it an annual affair.

Our speakers were selected from the best talent our city affords but their remarks were nearly all in praise of the work of the Association, which of course was music to my ears. However, that music was dispelled when the President called upon me for a response. I had never made a speech in my life and was totally unprepared—in fact, had I thought of such a possibility there would have been no banquet.

To show how nobly I rose to the occasion, the following day one of our members, calling me over the 'phone, I asked him how he had enjoyed the banquet the night before and he replied, "Say, Miss Croul, I think you was a very fine manager but you don't know how to make a speech." (Laughter.)

So you see the reputation I have at home. I am known there as a manager, not as a speaker. (Very hearty applause.)

PRESIDENT BLACKSTONE: It is a pleasure to hear that while woman jumped the farthest, yet she still retains or has developed since her association with Credit Men, the spirit of co-operation and helpfulness. So we thank Miss Croul for bringing this to our attention so forcibly.

The next thing on the program is the report of one of the most important committees of our Association, that of co-operation between the Wholesale and Retail Credit Men's Associations. This report will be presented by the Chairman of that committee, Mr. David J. Price of New York, one of the best and most enthusiastic members of the New York Association and of the National Association, ex-President of the New York organization. Mr. Price. (Applause.)

DAVID J. PRICE (W. & J. Sloane, New York): Mr. President, Ladies and Gentlemen:

The following is a report of the Committee known as the Committee on Closer Co-operation Between the Wholesaler and the Retailer. According to a plan instituted two years ago the members representing the National Association of Credit Men and the Retail Credit Men's Na-

tional Association met in the office of the National Association of Credit Men, 41 Park Row, on the afternoon of Wednesday, May 12th. The members of our Retail Committee were most cordially received by Mr. J. H. Tregoe, Secretary-Treasurer of the National Association of Credit Men, and his Committee. In attendance representing the National Association of Credit Men were Mr. E. D. Flannery of New York, Chairman; Messrs. M. T. Fleisher of Philadelphia; T. G. Murphy of Newark, Mr. F. Belden, Jr., of Springfield; and Mr. J. H. Tregoe, Secretary-Treasurer of the National Association of Credit Men, who acted as secretary of the conference and the men representing the Retail Credit Men's National Association were D. J. Price of New York, Chairman; Mr. John M. Connolly of New York, Edward W. Manahan of Boston, W. H. J. Taylor of New York, and Mr. J. K. Cuddy of New York.

Confering in a brief and very interesting and cordial way about various matters of mutual interest, the following subjects were taken up in the order of their recording and will serve as the minutes of the conference.

The National Bankruptcy Act.

Amendments to the National Bankruptcy Act recommended by the National Association of Credit Men and after a careful study of four years, were considered and approved by the conference. The Retail Credit Men's representatives did not feel that limiting voluntary bankruptcy to \$1,000 would cure the evils they have been compelled to bear at times in the purchases of individuals on the eve of bankruptcy. It was mutually agreed it were desirable were the bankruptcy act to provide for commercial cases alone and not be available to individuals. The further protection of the retail interests suggested a mutual study of the two Committees, and to discover in what form and manner more safeguards could be thrown around the individual purchase. The agreement was reached to make this a subject of serious and careful study during the coming year and to consider it jointly whenever sufficient material for the purpose had been assembled.

Guarantees.

This subject was considered briefly by the conference without reaching any definite conclusions. The manner of making charges in individual purchases was considered in this connection and the opinion reached that careful study should be devoted to this subject in order that legal requirements may be met and a debt not defeated merely because of an informality in a charge account or in the form of a guarantee.

Business Meetings.

The conference cordially and fully agreed in the belief that business meetings were most desirable for the two organizations, and furthermore it were desirable if visit could be interchanged at the meetings of the two organizations in order that a better understanding of commercial and individual credits might be promoted. This conclusion will be communicated to the various units of the two organizations in order that the spirit can be understood and applied.

State Conferences.

The success of State conferences conducted by the National Association of Credit Men suggested the advisability to the retail credit managers the desirability of holding State conferences for their organization. The State conference is intended to promote good fellowship and sound credit instruction. One day usually is spent in considering a number of credit subjects, which first are presented briefly by speakers and then thrown open to general discussion with questions and answers. An experiment of this type of conference was approved of in New York State during the coming fall, and if this conference proved successful, then a duplication of it can be recommended to the retail credit managers of other States.

Interchange of Credit Experiences and Credit Interchange Bureaus.

Our domestic commerce has been built largely on the co-operative principle of ledger experience interchange, and nothing were more fortu-

nate than should this system be vitiated or destroyed. The consistent and really valiant effort of credit managers should be devoted to its further development and stability. Ledger experience interchange is of superior importance in the granting of individual credits because there is not open to retail credit managers the various mediums of information that are available to the commercial credit manager. The general character of the account determines largely the worthiness of it in the retail trade, and the conference therefore emphasized the importance of a very free and yet properly guarded interchange of ledger experiences amongst the members of the Retail Credit Men's National Association and amongst all retail houses doing a credit business.

Economy suggests the advisability of organizing credit interchange bureaus for the assembling of ledger information and a more thorough clearance than would be possible to any credit department through direct inquiries. This feature was recommended very highly by the conference for in commercial credits the credit interchange bureau has won a high position and will receive further promotion and support of the National Association of Credit Men.

Commercial Legislation.

The importance was emphasized of sincere and thorough co-operation between the two organizations for the obtaining of desirable commercial legislation and the defeat of unwise legislation. The value of this co-operation was demonstrated in the bad check act, a protection of even greater value perhaps to the retail credit manager than to the commercial credit manager. Both were vitally interested in the law and by combining forces have been able to obtain it in several States. There should be great freedom of intercourse and co-operation in commercial legislation. The two organizations should promote nationally and through local units the closest working order in this field.

Credit Education.

So little has been known of the principles of credit and so many credit managers have not been grounded in the real fundamentals of credit work that it seemed very desirable to the conference that every effort should be made to promote credit education in the two fields, individual and commercial. It was recommended that retail credit managers should be urged and encouraged to join local chapters of the National Institute of Credit, a department of the National Association of Credit Men. If this can be accomplished, the educational courses of the chapter should include training in retail credits. It seemed very desirable indeed that the two organizations should work together for the promotion of this educational effort.

Convention.

The conference considered it very desirable that visits should be interchanged at the conventions of the two organizations. It was informed that at the Atlantic City convention of the National Association of Credit Men, Colonel Franklin Blackstone, President of the Retail Credit Men's National Association, would be introduced and that at the Detroit Convention of the Retail Credit Men's National Association, Mr. Tregoe, Secretary-Treasurer of the National Association of Credit Men, would be introduced. There is so much in common between the two organizations that every form of cordial and constructive intercourse should be developed.

The Education of Buyers.

The present strain on credit suggested most earnestly to the conference that every effort should be made to educate buyers to the necessity of paying promptly and not abusing credits. Individual buyers would understand generally less about credit conditions than buyers in commercial lines; the channel of credit must be kept liquid, and the necessity is great for short terms and prompt collections in both the individual and commercial credit fields. By letter, pronouncements and slip enclosures retail credit departments can carry on a most desirable campaign of education, and which the conference most earnestly recommended.

THE CREDIT WORLD

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The Position of the Credit Department.

Credit as a profession isn't more than a generation old. Gradually there has evolved an appreciation of this department's importance in the stability and success of a business enterprise. Co-ordinating the various departments of a business and recognizing that the credit department as the performer of an indispensable service and the conservator of profits will increase the smoothness of the business and produce that type of co-operation which should control in the purchasing, sales and credit departments. The work of the credit department is extremely serious, delicate and important. Its functions should not be interfered with. Its importance should be realized, and as this recognition increases with increasing obligations on the credit manager to do efficient work, very much that has been unwise and unprofitable in the granting of credits will be removed with a reduction of the overhead and a service to the entire buying public. The conference does not overrule the department of this expression of its position.

There being no further business before the conference, it adjourned, subject to the call of the Chairman.

Respectfully submitted,

DAVID J. PRICE, Chairman.

WEDNESDAY AFTERNOON.

The convention was called to order at 2:30 o'clock by President Blackstone.

PRESIDENT BLACKSTONE: Ladies and Gentlemen, the first number on our program this afternoon is the subject of National Thrift Week, "Pay Your Bills Promptly Day," as proposed by the Y. M. C. A. This will be presented by Mr. Allen B. Crow of Detroit. Mr. Crow. (Applause.)

MR. CROW: Mr. President, Ladies and Gentlemen of the Convention: It is quite an anti-climax to do away with the Hudson Quartette and get a song bird with a name like mine to try to take their place.

In the twenty minutes assigned to me I am going to endeavor to take ten minutes to make a statement of the plan and scope of the National Thrift Week and in the other ten minutes throw the meeting open to discussion for ways and means so that you can make this your own proposition.

The man who pays his bills promptly is the man who plans to pay them. The National Thrift Week Committee, of which Mr. Adolph Lewisohn of New York City is Chairman, therefore believes that to establish good credit conditions nationally, we must concern ourselves with a constructive program of thrift education and character building.

NATIONAL THRIFT WEEK. "Pay Your Bills Promptly Day."

The man who pays his bills promptly is the man who PLANS to pay them.

The National Thrift Week Committee of which Adolph Lewisohn of New York City is Chairman, therefore, believes that to establish good credit conditions nationally we must concern ourselves with a constructive program of thrift, education and character building.

The week begins on Benjamin Franklin's Birthday, January 17, 1921, with National Thrift Day or Bank Day. Then follows Budget Day, National Life Insurance Day, Own Your Own Home Day, Make a Will Day, Pay Your Bills Promptly Day and Share With Others Sunday.

The program for the week is based on the following Ten Point Financial Creed:

1. Work and Earn.
2. Make a Budget.
3. Record Expenditures.
4. Have a Bank Account.
5. Carry Life Insurance.
6. Make a Will.
7. Own Your Own Home.
8. Pay Your Bills Promptly.
9. Invest in Reliable Securities.
10. Share With Others.

The leadership of National Thrift Week heads up with the International Committee of the Y. M. C. A. in co-operation with such other national organizations as:

American Bankers' Association.
Savings Division U. S. Treasury Department.
U. S. League of Building & Loan Associations.
National Federation of Construction Industries.
National Association of Real Estate Boards.
National Association of Life Underwriters.
Association of Life Agency Officers.
American Life Convention.
Canadian Life Underwriters' Association.
Retail Credit Men's National Association.
National Association of Credit Men (Wholesalers).

Retailers' Commercial Union.
Interchurch World Movement.
National Fraternal Congress.
General Federation of Women's Clubs.
Chamber of Commerce of the U. S. A.

In many of the 633 communities where Thrift Week was observed last January the local Credit Men's Association took an active part and carried a major responsibility for Pay Your Bills Promptly Day. For instance, in Madison, Wisconsin, a symposium of various merchants in the city appeared in the local press emphasizing the importance of securing the credit which comes to the individual through the prompt payment of bills.

In Bridgeport, Conn., the Post published a Thrift Week sermon on "Pay Your Debts," written by a member of the Bridgeport Bar, in which he said, "The duty of a person to pay his debts is not a moral obligation, but an absolute requirement of the present industrial and economic systems." The newspapers throughout the country devoted a large amount of space on Pay As You Go Day on the importance of good credit. This is indicated by such headlines as: "Unpaid debt is open switch on road to success," "First use of money should be to liquidate just obligations," "Pay your bills promptly and enjoy credit," "Thrifty speakers to urge bills to be paid up when due," and "Thrifty buying helps to pay bills on time."

The Piqua, Ohio, "Call" reports Thrift Week a decided success and says "Pay Your Bills Promptly Day" observance brought about the desired results as is testified to by a number of merchants who lay stress on the fact that many old bills were paid and paid in full. Other persons made satisfactory arrangements to make regular payments, and within a short time these bills will all be paid. Another dealer especially declared that many of his old bills were squared up and persons — former customers who had avoided his place because of the bills are now customers again, feeling free to patronize him and feeling greatly relieved over the payment of the obligations.

Many editorials appeared on Pay Your Bills Promptly Day calling attention to the importance of its observance. In Pueblo, Colorado, an editor wrote, "Have you ever asked yourself this question before saying to the salesman in the store 'Charge it.' 'Why should I be entitled to credit?' Everyone should understand that the basis of credit is not social standing, wealth or income, but the way you pay your bills."

In the Butler, Pa., Eagle the editor wrote "Good names and credit go hand in hand. A good name helps your credit and credit helps your name. To have either, one must pay bills promptly."

The editor of the Omaha, Neb., Bee wrote, "In all the days of the Thrift Week category, Pay Your Bills Promptly Day is one of primary importance, it is the one on which all others depend, for your thrift will be of little service to you if your credit is not up to the mark and your credit will not be worth anything if you don't maintain it through your own efforts. Holding on to money that belongs to another man because you owe it to him is not saving."

Much newspaper advertising space was devoted to the Pay Your Bills Promptly copy. This was underwritten by various interests such as banks, trust companies, local thrift committees, credit associations and merchants. In

Burlington, Iowa, large space was underwritten by four leading banks. In Pueblo, Colo., a full page was underwritten by eleven business concerns. In New London, Conn., a full page was paid for by a group of twenty-five leading merchants. In Hamilton, Ohio, a similar page was underwritten by fourteen business concerns.

Last year Thrift Week had the endorsement of both the Retail Credit Men's Association and the National Association of Credit Men. It is hoped that these friendly connections will be maintained. It is desirable that such organizations appoint a Pay As You Go Committee, which will work hand in hand with the National Thrift Week Committee: First, to help make both the day and the week the greatest possible success, and, second, to publish and provide publicity material for Pay Your Bills Promptly Day, such as posters, leaflets, stereopticon slides, etc.

Credit men are interested in only in Pay Your Bills Promptly Day of National Thrift Week, but in the other days as well. The individual who is stimulated to have a bank account is more apt to pay bills promptly. The individual who makes a budget and keeps a record of expenditures usually has a satisfactory credit standing. The individual who carries life insurance has an asset to fall back on in case unusual bills have to be met. This is also true of the man who owns his own home. The man who has foresight enough to make a will is apt to make provision for the saving of his debts in case of his decease. The man or woman who shares a part of the income with others by contributing to the church or other unselfish causes usually has the character foundation which impels keeping credit good.

Some of the advantages which can be hoped for and confidently expected in the observance of Pay Your Bills Promptly Day are: First, from a national point of view—a presidential proclamation; proclamation by governors of state; articles and advertisements in national publications; the preparation and distribution, from the National Thrift Week headquarters, of millions of pieces of publicity material; the stimulation of the organizations of Thrift Committees in local communities; a nation-wide newspaper emphasis. Second, from the local point of view—practical talks in industrial plants, schools and before other groups, organization of savings groups, sermons in churches and talks in Sunday schools and young peoples' meetings, essay contests in the schools, distribution of leaflets, budget books, personal account books, etc. display of economic exhibit, display of posters and window cards, stereopticon talks and motion pictures, special articles, newspapers, items, editorials and advertising in newspapers. Special insert on Pay Your Bills Promptly for Saturday pay envelopes. Budget contests in the newspapers, special literature for the foreign speaking element, books on thrift placed on library shelves, proclamation by the mayor, etc.

Merchants and credit men who have studied carefully the possibilities of Pay As You Go observance in National Thrift Week believe that this is one of the most effective ways in which the nation can be stimulated to a greater appreciation of the moral duty to maintain individual credit. It is usually expected that the credit men of the country will get behind Pay As You Go Day to make its possibilities realized just as the life insurance people will get behind National Life Insurance Day; the American Bankers' Association will get behind Bank Day, etc.

We would like to have this Convention pass a resolution endorsing National Thrift Week and appoint a committee to co-operate with the National Thrift Week Committee in making the week and especially Pay Your Bills Promptly Day the greatest possible success. The following resolution is along the line of the one we would like to have passed:

RESOLVED, That the Retail Credit Men's National Association go on record as endorsing "National Thrift Week and Pay Your Bills Promptly Day" as conducted by the International

Committee of the Young Men's Christian Association.

MR. COMBS: Mr. President, Ladies and Gentlemen: In behalf of our National Association of Secretaries I want first to thank you, all of the members and particularly the President and Secretary of your wonderful organization, for this opportunity of appearing before you just a few moments. I have been earnestly requested to speak for two hours and fifty minutes, but I won't do it and I will try and confine my brief remarks to four or five minutes in explaining to you something of the aims and objects of our national organization.

We are not an old organization but we have grown to a very strong organization within a short time. On the 15th of February last year the National Retail Dry Goods Association held their annual convention in New York City. At that convention we located two or three secretaries at the beginning of the session, retail merchants' secretaries; in looking around that great convention for the next day, we located nine from all parts of the country. At the luncheon at the McAlpin Hotel on the following noon we suggested the advisability of organizing a national organization of retail secretaries. Some of us thought that it would be impossible to perfect an organization of that sort, but we did. We elected our officers and proceeded.

The following morning the matter came before the convention of the National Retail Dry Goods Association and was very heartily comended. That gave us some encouragement.

Last year we held in September our first real mid-annual convention at Toledo. At that convention we had 35 or 38 delegates from over 20 different states. We had a very successful and beneficial convention in Toledo. This year in February at New York we held our first real annual convention. We had over 50 delegates present there from more states, and a very successful and beneficial convention.

This year we held our convention here, with this purpose and object: Perhaps 50% or 70% of our membership are also members of your organization because as retail secretaries they also have credit bureaus in connection with their work, so we had a happy thought that it would be advisable to hold our meeting in Detroit this year in conjunction with this association because we believed that we had a mutual interest in each other and that benefits to be derived from this organization were identical in many respects with yours.

So that is why we came to Detroit. We closed last evening with a banquet at the Chamber of Commerce, given by the Merchants' Association of this city, we closed a very successful and beneficial convention here. We have grown from 9 members in a year and a half to more than 125 members covering 28 states. So we are a real husky infant.

But our work, ladies and gentlemen, has only just begun. I believe that we had the greatest work to accomplish of any organization possibly in this country, with the exception of yours and I want to tell you why.

You know as well as we know that the retail merchants of the United States are unorganized, that with all our business interests in this country they have been the most negligent and careless in the protection of their own interests of any other class of business that I know.

Now, it's up to us through organized effort to protect their interests, because at this time as never before in the history of this country they need that protection and they are beginning to realize it from all parts of this country. They are forming today retail merchants associations in cities where they have been asleep for years and at this moment there are eighteen states in this country who have perfected or are perfecting state retail merchants' organizations. Some of them have been perfected several years but the majority of them are new and I think, as Mr. Hahn explained to

you yesterday (and he is one of our members) they are now perfecting a national organization of retail merchants in the United States.

Our part in this work, perhaps the greatest part of our work, is to perfect organizations in the small cities and towns in this country where they are still asleep and there are hundreds and thousands of them.

That, in brief, covers part of the objects of our organization. We thought in New York when there were only nine of us, that if we could meet in convention from different parts of the country that we could become acquainted with affairs in the different parts of the United States, that we could become more efficient in our work and thereby improve the work of the retail merchants everywhere. Now that in the main covers the object of our association and in that we want your assistance because you are identified with us more largely and more importantly than any other association in the country, and we invite you as members of our organization.

Our dues are nominal, we hold two conventions each year and we invite every credit secretary in this room or in your organization who is at all identified with the problems of retail merchants to become members of our association. We also invite commercial club secretaries who have charge of retail merchants' divisions from anywhere over this great country.

You know, perhaps, as well as I and maybe better the necessity at this time for that organized effort. I do not want to touch upon politics in any way whatever; in fact, I dare not because we have two candidates for President in my state and one candidate for Vice-President and about the only other prominent candidate that I know is in Georgia and at present isn't able to make a campaign (laughter), so for that reason I am not going to touch upon politics, but I will say to you men and women that in my judgment the time has come when American merchants should become interested in politics and should get busy. That has been one trouble of the whole situation—their total indifference to the political situation of the country.

Now, just one second about the profiteering situation and my two hours is going to be up. A group of politicians assembled in Washington one day. They climbed away up in the dome of the Capitol and through their political periscope they scanned the horizon to find who was responsible for the high cost of living. From their great elevation and in their great anxiety to protect the dear people, they some way overlooked the manufacturer and wholesaler and jobber and hoarder and the middle men, but away off in the distance they saw the retailer—hundreds and thousands and tens of thousands of retailers, almost entirely unorganized except in spots and totally unprepared as a whole to defend their interests against the insidious propaganda that was to follow.

As a result, the retailers of the United States were held responsible for the high cost of living and were called profiteers. I submit to you, ladies and gentlemen, if ever in the business history of this country there was a more dangerous thing started than those accusations that went broadcast all over America that every retail dealer in this country was a profiteer and the public mind was poisoned from every corner and in every corner of the United States—small towns, villages, hamlets, big cities and everywhere that the retail dealer or distributor of merchandise was the profiteer and was responsible for the high cost of living!

There is something that we must combat and the only way to combat that is through organized effort and any person in this room who has the retailers' interests at heart (and many of you do as we do) we ask your assistance and your support in this wonderful effort we are trying to make to bring an organized force

about that will be strong enough and big enough so that as retailers we can have a place in the councils of this nation and protect our interests as they should be protected. (Applause.)

One manner in which that can be done is this: Supposing we have 500 members in our National Association of Retail Secretaries, and we will have inside of two years. Our Secretaries of National Organizations like Mr. Hahn, of New York, can immediately get in touch by telegraph with 500 secretaries in 500 of the leading cities of this country and in less than 24 hours hundred thousand telegrams can be forced into Washington and a Congressman who introduced that measure will find his office filled from floor to ceiling with telegrams and letters of protest and then that Congressman will sit up as the cold chills of political apprehension spread up his spinal column, he will sit up and take notice.

That has been done already and that is one of the effective methods through which we as a national association can operate and in that, again, we ask your support.

Now, the life of a Secretary is not a bed of roses, not by any manner of means, and I never realized until just a little while ago that the credit secretary's life was not always a bed of roses. In Toledo we have separated the credit association from the retail merchant's association entirely and I have nothing to do with credit, but the same merchants who are members of our organization have perfected a very strong credit organization under very capable management and it has been very successful. Their office is located in the same building where I am. I am on the fifteenth floor and they are on the eleventh floor and very often people in the city mistake the two offices.

The other day a gentleman blew into my office and he said, "Are you the manager here?"

I said, "Yes, sir."

"Well," he said, "what the hell have you got to do with my credit?"

I said, "Why?"

"Why," he said, "you told somebody out here that I didn't have any credit and I can't get any goods."

It took me about five minutes to explain to him that he was in the right church but the wrong pew. He was a husky chap but in a few days a huskier fellow came in and he was mad when he came in. He said, "Are you the manager here?"

I said, "Yes."

He said, "Didn't I tell you a little while ago not to extend credit to my wife?"

I said, "I guess you didn't."

He said, "I guess I did," and he shook his fist in my face and said, "I'll pound your face to a jelly!" and he said, "Now, listen, I mean business—"

I backed up of course and apologized and then I explained to him that I had nothing to do with credits whatever, but in his present mood I saved the life of our efficient credit secretary by telling this gentleman that the credit secretary was in Europe on his vacation. (Laughter.) He is sitting over there now and I know him very well, he is a particular friend of mine and we have to work these things back and forth and work them together, so I discovered in that way that the life of a credit secretary is not all a bed of roses and I know very well indeed that the life of the ordinary retail secretary is not a bed of roses.

I sometimes have thought that if all of the retail secretaries and credit secretaries in this country could have been assembled into a company during our late unpleasantness with Germany, that we would have become almost absolutely invincible because we are on the firing line every moment and day of our lives and most of the time we are just half way between the devil and the deep sea. But that, of course, couldn't have been accomplished.

Now, I appreciate personally as well as in behalf of the splendid organization that I have the honor to represent the opportunity of looking in the face of you men and you women. It is a pleasure to me at any time anywhere to appear before a company of business people because I realize in the work that I have been doing for several years the absolute necessity for closer co-operation and a better friendly business spirit among all the business interests, retail business interests of this great country.

In the life of a retail secretary we have many trials and tribulations. Sometimes we think that our efforts are not appreciated. Sometimes we think that our work is not understood because the busy business man with a vexatious problem on his mind does not always stop to extend or express to us his gratitude or even give us any encouragement, but at the same time we must appreciate that we are working for and working with some of the biggest, best, noblest business men in the United States. (Applause.)

We are working with men who are devoting today a great deal of their time and energy and money for the protection and betterment and uplift of the retail merchants of the whole country. That gives us, gives me and gives all of us, a wonderful feeling of inspiration and it gives us a desire to be still more faithful and more active in our services to those merchants and I believe the time is coming, ladies and gentlemen, when these organizations that we are just starting now, when this wonderful work that we have just begun, is going to be effective. It's going to spread over this country from one end to the other and I believe the time is coming when the retail business interests of this country appear in Washington we will get the results we are after, that we haven't had for the last 25 years.

That time is coming as sure as we continue our work, and in that work we are going to be supported, heartily supported, by the very best business element in this country and then we can go to Washington and feel that not only the great business interests that we represent are to be protected in national legislation, but that the great, splendid citizenship that we represent will mean something in the capitol of our United States.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: Our next feature, the report of the Chairman of the Committee on Legislation and Legal Procedure, John K. Lord, Jr., of St. Louis. (Applause.)

MR. LORD: Mr. Chairman, Ladies and Gentlemen of the Convention: I am very glad indeed that Mr. Combs preceded immediately this little report which I have here. He has very eloquently and forcefully shown the need of co-operation on the part of retail merchants and we retail credit men if we are to accomplish anything in the way of getting legislation and that is one of the things which this committee has seen the absolute necessity of.

This committee has been somewhat uncertain as to the location of its field of activity and the limits of the same.

RETAIL CREDIT MEN'S NATIONAL ASSOCIATION.

Report of Legislative Committee, August, 1920.

To the members of the Retail Credit Men's National Association:

This committee has been somewhat uncertain as to the location of its field of activity and the limits of same. It seems obvious, however, that its duty is to work for legislation of benefit to the membership of the organization as a whole by promoting legislation, both in Congress and the various States, which shall be uniform and helpful to Credit Men. Such results are only achieved by long continued, persistent effort on the part, not only of the Committee and all the officers and directors of the Association, but on the part of the individual members and local associations. Congress and the State Legislatures are slow to act, especially if there is any suspicion that the legislation desired can be regarded as "class legislation."

It is necessary, therefore, to first determine what legislation is desired and next to prepare the field for its passage by working on the legislators, by showing them that the legislation is proper and beneficial to the public as a whole and by influencing some member of members of the legislative body to introduce the desired bill and push it through with the continued assistance of those desiring its passage. It is, therefore, a large part of the duty of the committee to secure the co-operation of the local associations and members in this campaign of education of the legislators and get them back of bills when they are introduced.

The committee regrets that it cannot report any progress along these lines during the past year, but it makes the following recommendations for activity of the committee for the coming year:

At the 1919 Convention it was resolved to protest against the so-called "luxury tax," which works a hardship on retailers. Protests against this tax have been widespread and if concerted action is taken by the members of the Association as a whole, a great deal of influence can be brought to bear upon Congress to do away with this form of tax. It is recommended, therefore, that special effort be brought during the coming year to induce Congress to amend the revenue measure by eliminating this feature, which is expensive of collection, comparatively non-productive and burdensome to the dealer.

The 1919 Convention also approved a bill which provided that a registered mail receipt should show the place where the mail matter was delivered and that it should be received as prima facie evidence of delivery. Such a law would be of very great help not only to retailers, but to all other merchants as well as to everyone seeking to show delivery of notices, letters, etc., and would incidentally be extremely effective in aiding in the location of debtors. While the Postal Department can hardly be expected to act as a collection agency, there is no reason why it should serve as a hiding place for defaulters and as a general rule, only those persons who are seeking to conceal their whereabouts for some improper and unworthy purpose, are the ones who would be affected by such a change in the law. We recommend again that a systematic effort be made to bring about the adoption of this bill.

We are informed also that a bill was introduced in Congress, allowing garnishment of the salaries of Federal employees. As it now stands the Government acts as a shield between creditors and delinquent debtors. We do not believe that this is proper and we urge that this matter be taken up, not only as to Federal employees, but also as to State and other Government employees, by having bills of this purpose introduced into Congress and the various legislatures. We should not be discouraged if these efforts do not bear fruit for a long time, but if we can keep after them and are eventually successful, the result will be well worth the effort.

There are now in effect in St. Louis and Chicago, and probably other cities, ordinances requiring moving companies to register the new and old addresses of persons moved. The ordinance has within the last month been upheld by the Missouri Supreme Court as a constitutional exercise of the power of the city. Such an ordinance is of extreme value to the Credit Men and it is recommended that the local Associations foster the adoption of such ordinances in their various cities or by State legislation.

Some of our States have stringent laws making it a crime to issue checks without funds back of them. While the effect of such laws has, in some localities at least, been lessened by failure of Credit Men and others to prosecute offenders and by the interpretation of the law to the effect that a check given for an existing debt rather than for the purpose of obtaining additional merchandise or cash, is not within the scope of the law, yet the laws have undoubtedly been somewhat effective in reducing the number of such fraudulent checks. If the Credit Men would make an example of the offenders, so that it would become known that it

really is a dangerous thing to issue a bad check, that would do more than anything else to put a stop to the practice which is now so prevalent all over the country.

We hope that these few suggestions may be of benefit to the new committee and feel sure that if the committee will endeavor to obtain the co-operation of the local members, it will be able to accomplish much of value to them.

PRESIDENT BLACKSTONE: I will ask the First Vice-President to take the chair and proceed with the program.

CHAIRMAN LAWO: The next number on our program is "Present Day Conditions Sales-Credits-Collections," discussion to be led by Mr. Joseph Auerbach of Bloomingdale Bros., New York. (Applause.)

MR. AUERBACH: This is just to be a little general discussion, more or less informal I take it. I haven't prepared anything very exhaustive except a brief resume of present day conditions as I see them.

There has been much written and spoken on this subject and while it is a matter of vital interest to all of us, I don't know that I can add anything new to what you probably already know on the subject; however, to get a proper conception of present day conditions you must go back quite a little while, say just before the World War—I don't mean our entry into it, but the beginning of the World War.

You recall in 1914 before we got into the World War business conditions were not of the best and after the World War came on there was a lull, perhaps, of duration from three to six months. However, with the increasing demand placed by foreign governments for war materials and supplies and food and clothing and other commodities which they were not producing themselves due to the demand made upon them by military needs we began to feel prosperity, the resultant prosperity.

We then, as a result of that prosperity, began spending money, became a greater spendthrift nation than we were before. We bid against each other for commodities of various kinds with the result that prices went up further and further.

With our own entry into the war, the Government demand upon our manufacturers for turning out military needs became still greater with the resultant further increases in prices and notwithstanding that we continued to bid against each other, premiums were paid for deliveries. That condition continued and then we were confronted with the armistice. The armistice resulted in cancellation of Government contracts with the resumption, somewhat, of normal business although not entirely, due to the continued demands from foreign countries for our products made necessary by the disruption of their own business.

We gradually began getting, however, on to a normal basis. As foreign countries got more nearly on a normal condition, the market began to be somewhat saturated as the foreign demand began falling off. Labor troubles with which we had been confronted during the World War and our own entry into it, we began to call a little halt on the tendency to strike for higher wages. Today we are unable to make deliveries due to the railroad condition, but notwithstanding that fact, notwithstanding the heavy bank restrictions on credit, prices have had a sharp fall. It is the general consensus of opinion that prices will continue to fall. The public is no longer so keen to buy merchandise at high prices.

Today the business failures, the business mortality of this country, is on the increase; in fact, an alarming increase. The failures for June or July, I don't remember just which, just passed were the greatest since December, 1918, both in number and amount—in amount tremendously larger than any preceding month since December, 1918.

There are various commodities in which the market is now glutted, as for instance silk. To show the downward trend of prices, however, take the leather industry, the hide and leather industry. Hides have fallen to sixteen cents a

pound as compared to forty-five during the war and fourteen in 1914. Hides today are sixteen cents as against fourteen cents in 1914 and forty-five cents during the war. Textiles are doing very little. Many mills are closed down. Demand has fallen off. There may be an increasing demand later because textiles are a necessity, I expect there will be, that is my own opinion, but while that may result in a temporary holding up of prices, I believe that this will still continue after that to be a downward procession.

Real estate, although we all hear Mr. Landlord is frequently and constantly raising his rental demands, real estate building has fallen off due to the price that is asked for building material—not because there is not a demand for more building, but simply because there is a saturation point in the price of merchandise and that saturation point has been reached in real estate as evidenced by the decreased amount of building going on.

For example, the price of lumber today is on a downward trend, an encouraging sign from the standpoint of the home seeker, but not so encouraging for the lumber merchant.

That is a brief resume of condition as I see them. They call for the greatest care on the part of credit men in the daily handling of accounts. It means that accounts already on the books must be closely scrutinized, closely collected, new accounts dealt with conservatively. I believe in the credit man as a business builder, as a builder of sales. I believe that, as was said by Mr. Webber of the Hudson Company that our tendency, the tendency of the credit man, is to be over-cautious. However, I think that trait will come in well during this readjustment period and should be exercised, however, not at the expense of the turning down of desirable business. We mustn't go to extremes.

With that final little message, I think the opening of this discussion will be completed and from there on will be continued by our worthy Vice-President, Mr. Lawo. (Applause.)

Thank you.

CHAIRMAN LAWO: The next speaker on this same subject is another one of those renowned Pittsburgh gentlemen, Mr. J. H. Zelch of Frank & Seder, Pittsburgh. (Applause.)

MR. ZELCH: Mr. Vice-President Members: I am inclined to be more of an optimist than the gentleman who preceded me. For some time past I have been watching, it is always our business to watch local conditions. As you know, in Pittsburgh we follow the iron and steel market. I think that the Pittsburgh merchant who goes after business aggressively, watches his collections fairly close, will suffer nothing for some time to come. I took this matter up with a couple of gentlemen who are actively engaged in the iron and steel business, the largest in the country, and they tell me that they have been handicapped considerably recently by the shortage of coal and cars. If that situation gets no worse, they will have all the business they can take care of for the next six months at least and they anticipate the situation getting better.

Therefore, I am rather optimistic as to the immediate outcome. (Applause.)

CHAIRMAN LAWO: Our next speaker is one whom we all know very well, one of our directors, Mr. J. H. Barrett of Baltimore. (Applause.)

MR. BARRETT: Mr. President, Ladies and Gentlemen: I would not presume to stand before you and intelligently analyze or attempt to analyze the conditions as they exist today. I am not unmindful that there are danger signals nor am I an alarmist to any degree, I believe, unduly. If—and we have heard from different angles the subject more or less discussed in this convention—if we listen to some we would be probably somewhat pessimistic in our outlook. If we listened to others, we might become too optimistic in our outlook. Therefore, as I say, I am not going to undertake to analyze the social, political, and industrial conditions of the present day, but more appropriate, I think, at least for me, is to men-

tion something along the conditions in our own locality for, after all, Mr. President, our localities show different conditions at different periods.

For instance take Baltimore. Prior to the World War which has been mentioned, you know our reputation in Baltimore was largely dependent on our seafood, our straw hats and probably our clothing—three great industries there today surpassed by no other city in the country. But (not that these lessen our prestige in any shape or form), during the World War conditions have been brought about by which we have become one of the great cities in shipbuilding; we have become one of the great cities in the steel industry. Therefore, the conditions as I view them in Baltimore today do not in any sense of the word alarm me as to the outcome for future good business.

And stating that frankly, I pass on to just the next word. We say "Present Day Conditions and Sales Credits." Now, since I have been coming to these conventions. I have learned to



J. H. BARRETT
National Director
BALTIMORE, MD.

look at our credit departments in a little different light than I used to look at them and I in my travels had observed that perhaps some of our merchants have not taken the broad view of the importance of the credit department that our friend Mr. Webber expressed himself as having somewhat gotten in his address before this body yesterday.

In many of the cities in which I have traveled and through whose departments I have gone, I have noticed a tendency to more or less push in some unimportant place the officers of that store. That doesn't apply at all, or might I say it does not apply generally, perhaps, but in a large number of cases the credit department and the office has been treated and looked upon as just so much dead wood. That is the impression that I have gotten by my contact, also, with some of our superior merchandise men and other executives of the stores.

Well, since I have been in credit work, I have been preaching to my firm the importance of an up-to-date, progressive credit department. And why? Simply because I do not consider the credit department as so much dead wood or credit expense. I believe thoroughly that the

opportunity is presented from our credit offices to become not only as large a selling force as any other one individual department or as the credit man as any other individual, but a much larger, a much larger part of that selling force.

It is to the credit department that the best of our customers go and they are more than apt to go there first—perhaps from the department where they select their merchandise to the credit department. What is the result? If their impressions are favorable, if their treatment is courteous, if they can leave our credit offices feeling that they have gotten the attention and the deference that is due them, not only do we sell that order that they have purchased down in the department, but we sell their friend and that person's friend and it creates one big wave of advertising for the store and for that department.

If we are not of any importance, then we shouldn't be credit men and that is my honest conviction. Just to mention a little personal matter, I came in contact some time ago in another city at a dinner table with a merchandise man from one of our large stores, not a great way from here. That gentleman knew something of my duties, my profession, and is wasn't the most courteous thing, perhaps, I being his guest, to enter into any discussion with him as to the relative merits or demerits of either one office or the other, but unfortunately he projected that subject at this table and somehow I'm just so constituted that I've got to defend anything in which I have implicit confidence and I did to the best of my ability try to show that merchandise man, who said that the credit office was nothing more than a mechanical routine, that he never was more mistaken in his life and that he had not properly informed himself as to the prerogatives, as to the duties of a real credit man or credit woman and a credit department. Whether or not I was successful in convincing that gentleman is of little material to me, but what I do want is to have implicit confidence and a high regard and respect for the thing in which I am engaged and the only way that I can develop and the only way that you can develop into being the thing that is the most valuable to your concern is to have a great regard for the business in which we are engaged, and if we don't feel that it has the honor and dignity attached to it that it should have, then I frankly admit that I do not believe we can put the same energy, the same thought, into it that we could do otherwise.

The other word, Collections, I didn't mean to and don't mean to cover all the ground, and there is so much to cover that after I've gotten through these other gentlemen will find a great deal more to say, but I do want to say this:

As to collections, the present day conditions certainly bear out a very cautious action, or rather that should cause us to be cautious in our action, and I want to emphasize one thing. I don't know what your terms are in the several cities that you represent, but I absolutely do not believe in pet accounts. (Applause.) Whatever may be your terms, let it be understood that my opinion is and my practice is that we have no pet accounts. If an account is owing us, it doesn't particularly matter with me whether socially they are influential or whether they are not; I feel that for my firm I have a perfect right to ask Mrs. Jones and Mrs. Smith and Mrs. Brown or whoever they may be, if the account is going beyond our terms, I have a perfect right to ask that woman or that man to pay his account up-to-date or certainly to bring it within reasonable terms.

I think it has been more or less a custom, I know it has in our city, to take some accounts and put over here and take others and put over there. These may be in arrears, but by just some kind of standing or just some kind of personal knowledge that we may have in that case, that is taken from the collection department and they are not allowed to write on that account.

I don't believe that that is fair. At least that doesn't appear to me to be the proper way for collecting accounts. Of course that is no criticism on any one who has such accounts. There

may be conditions, and here is a point that I want to make: There may be conditions when it is not convenient or practical for an account, a good account, to be paid on the terms agreed upon at the time the contract was made. That does sometimes occur, but that Mrs. B. or Mrs. J., or whoever she may be, owes it to you and she owes it to your firm to come in and say, "I can't pay this bill now, but I can pay it next week" or "I can pay it the 15th of next month." "I will pay just as soon as I can, but certain conditions have arisen over which we have no control. I therefore would ask if you would extend this time a little bit on this account."

You know what happens. There isn't a one of us that wouldn't gladly extend any courtesy that that customer might desire in reason, but just simply to go ahead and divide our accounts up into groups, it never has occurred to me that that was the proper method of procedure and I wish that more of our own credit men probably could get to see that as I see it, because I so often have it thrown back at me that So-and-So, our competitors across the street, down the street, "they never send me a bill and they never say a word to me about paying the bill."

Now, I take that for so much; it may be true, it may not be true. I know the policy of the most of our competitors, because I know them personally, every man in our town, and I have had the pleasure and honor to sit with them on their board where these policies are discussed by the managers themselves and I know that their expressions are that a certain policy shall be followed. Whether they make distinctions I do not know, privately, with their collection departments, but I do know this, that in co-operating locally, nationally our association and our local associations make it very much easier for the credit man under these perilous conditions through which we are now going.

Thank you. (Applause.)

CHAIRMAN LAW: I want to say this that there is not a more important subject on our program than "present day conditions." In other words, how to handle these really is what we're talking about.

Some of you have, no doubt (as all of you should have done), made a study of present day conditions and how to handle them. There are two or three who are scheduled to talk on this subject who are absent and I would ask any of you who have made a special study of it to prepare yourselves to talk after those who are here and who are scheduled to speak have done so. If you learn how to better handle present day conditions as a result of this talk, that in itself will be sufficient to justify the expenses of coming up here.

The next speaker is Mr. J. R. Hewitt of The Hub, Baltimore. (Applause.)

MR. HEWITT: Mr. Chairman, Ladies and Gentlemen: Last evening my good friend Barrett came to me and said, "Hewitt, we are down tomorrow afternoon to discuss a very important subject. Let's go out to supper tonight and compare notes." Well, we did. We compared notes. Barrett spoke first. You can imagine where I am! (Laughter.)

I just want to make a few remarks. I have been in the credit business as a credit manager for something over fifteen years. The subject is present day conditions, sales, collections. Gentlemen, I do not believe that there is any difference today in the basic principles of granting credit than there was fifteen years ago. If a credit man fifteen years ago studied the business in which he was engaged, sought to give his firm the best there was in him, he could not have helped but realize that he must build a constructive credit department.

Now with that object in mind, conditions have not changed. I never felt there was a time when credit man should take a chance. When you grant a credit to anyone, you should have a real reason for granting that credit. That is just as true today as it was fifteen years ago. As far as collections are concerned, I have always believed that when you open an account with a customer a definite arrangement should be entered into as to the liquidation of that ac-

count and I think that customer should be compelled to live up to that agreement.

I am not an advocate of Barrett's pet accounts, although we are criticized sometimes when the customer comes in who has had a very good account but possibly is five or six months in arrears, because we wrote 'em rather a sharp letter to please pay their account immediately. I am willing to take that criticism because that criticism is a lot easier to bear than the criticism you get at the end of the year when your P. & L. account is too high, there are figures there, you know, and they tell the truth. (Applause.)

I believe now, ladies and gentlemen, that the same conditions possibly exist in your city as in mine. There is a tendency among the merchants to get out from under, if I may use the slang expression. I expect a greater majority of our merchants are carrying possibly a stock that they feel is a trifle too heavy and they have been pushing business.

A merchandise man who can put on a sale this week and show large returns, possibly follow that up three weeks hence with another sale and show still larger returns, is patted on the back; he's a real merchandise man, but ladies and gentlemen, DON'T LET THAT MERCHANTISE MAN UNLOAD ON YOU!! If that is going to be charge business, be sure when you put it on your ledgers that it is real, constructive credit.

I am an optimist, I believe in selling merchandise to those people who will pay and if you will analyze your account or your applicant before putting that on the ledger, you won't have any more reason to regret your action today during these times than you would ten, fifteen, twenty years ago.

There has never been a time, in my humble opinion, when the American citizen was not equal to an emergency. That same condition prevails today. I don't care what comes to this country or what problems confront us, we are going to meet 'em squarely and fairly and conquer them.

I will go home from this convention feeling that after meeting a great majority of credit men from all over the country, you are all just as optimistic as I am.

Thank you. (Applause.)

MR. KOCH (St. Paul): Mr. President and Members of the Convention: I am in no way prepared to talk on this great subject but I heartily approve Mr. Barrett's little talk. I believe the situation depends a whole lot upon local conditions and we must meet those conditions as they confront us.

We firmly believe that St. Paul has prompt collections. We try to enforce those collections. Our agreement amongst the largest stores is that we aim to hold our accounts down to a basis of 60 days. I must admit that we are not always successful, we have to repeat the same criticism that our friends do in Baltimore, but as Mr. Hewitt stated, it's whole lot better to have those things and those accounts show up immediately and criticize you at that time than have the criticism come to your attention at the end of the year.

I just want to say that I notice Mr. Brack was down for a talk on this subject. I am sure that if Mr. Brack had known that he was supposed to talk on this subject he would have prepared a paper and we would have been privileged to present it here to you today. I think there is a slip somewhere in the cog and that is why he has not prepared the paper. I am sorry we are not in position to present his views. (Applause.)

CHAIRMAN LAW: Mr. Koch, you stated there was an agreement among the merchants to enforce a 60-day term. Was that made as a result of present day conditions or was it an old condition?

MR. KOCH: It is an agreement and has existed for several years, but we try to remind each other of it and try to enforce it more firmly now than we have in times past.

President Blackstone resumes the Chair.

THE PRESIDENT: The next subject of this quiz is limits, how to determine them and how to enforce them. Mr. Lockard of Seattle, with the firm of Frederick & Nelson, will present this subject, after which it will be open to discussion. Mr. Lockard. (Applause.)

C. W. LOCKARD (Seattle, Wash.): Mr. Chairman, Ladies and Gentlemen: I have explained to our Chairman that having had no previous intimation that I would be called upon to discuss what I consider one of the biggest problems in handling credits, I would prefer that he assign that subject to someone better qualified to present it.

However, as he has seen fit to call upon me, I shall endeavor to reply to the best of my ability.

In the first place, what is a limit of account? It is the largest amount which, from our experience and knowledge of the account, we believe is within the ability of the customer to pay when due. A limit is placed upon an account when it is opened, based on the information obtained and the impression formed by the credit man. In many cases it is impossible to determine just what the paying ability is and it is then necessary to give the customer the benefit of the doubt to a reasonable amount above the limit originally set. Should the account then be paid promptly, the customer has established his credit to the larger amount and the limit should be marked accordingly.

An account limit should not be thought of as some exact amount in dollars, but rather as a classification, which, by its flexibility, will give the customer the benefit of any doubt as to his ability to pay and which will not cause the loss of a good account by wrongly fixing some arbitrary amount. It is true that in some cases a definite limit may be set where the customer, through a long period, has proved his inability to pay in excess of a certain amount. I should say that the degree of safety in handling an account within its limit is in direct proportion to the amount of knowledge that the credit man has of the account. Therefore, to place a limit safely, we must know our customers, we can know them through our own ledger experience and through the experience of others. Enters therein the close co-operation with other credit men, and the liberal interchange of ledger credit information. You can judge your limits with more assurance if you know how the customer is paying his bills at other stores.

When it is necessary that a limit must be enforced, and charges are held up, we should always be in the position of being absolutely right and of being able to show the customer that we are right. A diplomatic handling will prevent the loss of what may still be a good account, and the customer be made to see that it is to his interest to refrain from entering into an additional obligation which, at least, will place him on the slow list.

To enforce limits and prevent overbuying, the credit manager must be fully informed as to the previous account and perhaps what is more important, regarding current purchases, as these under some methods of bookkeeping are more apt to be lost sight of.

If by the proper observance of account limits we can prevent overbuying, we will eliminate our collection troubles.

I believe the subject of limits should have been given to at least ten men for discussion and regret my inability to answer at greater length.

PRESIDENT BLACKSTONE: Is there any further discussion on this question? It seems to me that the subject of limits, how to enforce them, is one that should be especially interesting to every retail credit man, not because every retail credit man has a different idea of how to enforce limits but because many retail credit men operate along different lines.

MR. BARRETT (Baltimore): The President called me down this morning because I wanted to skip over that part of where I was on to the program. I asked the question this morning, or at least I had on my mind to ask, if when you open an account and your judgment leads

you to believe that that customer may buy more than you care to have her buy, if you ever advise her at the time you open the account whether or not it is limited.

MR. HOOPER (Birmingham): I do at times. It depends on who the customer is. If I believe in my own mind that the party will be inclined to buy more than they can afford to pay for, I ask her the amount and also the time and ask her the limit. This is of course in specific cases. Those limits are changed, possibly, as circumstances may justify.

MR. LAWYER (Memphis): It is my custom when taking applications for credit to always ask how large a line of credit is desired. As a rule the applicant seems surprised at the question and does not know how to answer. I usually find it necessary to say, "If you want a \$50 line of credit and the report shows you are entitled to \$100 line, you get the \$100 line, but if you ask for \$100 and the report shows you are entitled to only \$25, we will have to notify you that we can only give you a \$25 line of credit."

That sometimes has the tendency to cause them to ask for a smaller line of credit. There is a question as to whether it is desirable to have them ask for a smaller amount as in some cases it might have the effect of causing them to buy less than they are really able to pay for, but as we all know, it does not take a customer long to learn that she may buy beyond the amount of credit arranged for. The advantage of handling an application in this manner, however, greatly exceeds the possible objection mentioned. It lies in the reduction of the delicacy of handling the situation when a customer exceeds her limit to the point where it is necessary to approach her for additional information.

That has been one of the most difficult situations I have had to handle—how to approach a customer that has been on our books for some time to whom we have been extending a moderate line of credit and who is not entitled to a large line from the information in our possession and who suddenly buys a very large amount.

I can't forget an experience I had along that line once. I gave a lady who asked for a \$35 line of credit at the time of application as high as \$60 without saying anything to her. I figured from the report that she was entitled to about a \$50 line of credit. When I say that, I mean that the records showed she could pay \$50 in full every month.

She had only been on the books three or four months when she ran her account up to \$100. I phoned her and told her that she had asked for a \$35 line of credit, that her account had gone to \$60, that we appreciated the business very much and were sure she was entitled to all the credit that she asked for but she, of course, understood that credit was extended on business principles and that we would have to have a little more information—which I knew she could give us—before we could let her have a \$100 line of credit.

She immediately became very angry and said, "Just send those goods out C. O. D., tell me how much I owe you and I'll mail you a check in the morning."

I apologized and told her how sorry I was that she had taken offense at what I had to say and tried to smooth it out the best I could because I felt that if she was prepared to mail a check at once, she was entitled to the credit sought. The next morning we received the check. I was very much disappointed with myself because I thought possibly someone else could have handled the case better, could have held her account and gotten the money. I thought over this a long time wondering if I couldn't handle a similar situation in the future to better advantage to my firm.

About three months later I guess it was, this lady came in, reminded me of the experience and said her husband had told her how badly she had acted, and that we were perfectly justified in what we had to say to her; she was now in to give us any additional information we wanted and reopen the account.

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I was so glad and elated that I told her I didn't care to ask her any more questions. (Laughter.) She went down stairs and bought \$40 worth of goods and I haven't seen or heard of her since. (Laughter.)

I'll tell you how I handle that situation now. Whenever an account that has been on the books for some time goes away up, I call up the lady and thank her for the nice order, tell her how we appreciate it and all past business, tell her it is our custom whenever the balance goes up above the average to give the customer 30 days extra time and we thought probably on account of her amount going so high she might want this 30 days extra and if so we'd be glad to give it to her.

Those of you who haven't tried that will find you get all the information you want. They will say, "No, I want to settle that bill in full on the first of the month as I always do." Sometimes they say, "Now, that's mighty nice of you and I'll certainly be glad to avail myself of your offer because I was wondering how I would be able to pay that in 30 days."

I think that is a good suggestion to those of you who haven't tried it. (Applause.)

MR. COHN (San Francisco): I'd like to ask Mr. Lawo or anyone else who cares to answer the question, whether it is customary in case where you desire to communicate with the customer to call her to the office or to deal with her through letters. That is, in case where she is buying beyond her limit and it happens to be in your store.

MR. HORTON (Knoxville): I would suggest that the gentleman get her on the carpet before him right at the time the purchase is being made. Tell her that the limit is being exceeded. That's the only time to correct the error and make her understand that your terms are strictly 30 days, or whatever your terms might be. Get them on the carpet at the window. I have found that is the best way to handle the over-buying.

MR. FINNEFROCK (Indianapolis): I can't quite agree with the gentleman who just spoke. The longer I am in credit work the farther I get away from the fact that I want to call people to the office. I have got lots of hair left but I don't want it all gone. If the account that they are purchasing is quite small, I would prefer to let them overbuy a little bit and write them a letter or get on the phone. If the purchases are large, much beyond what she should buy, you will have to sometimes ask the customer to come to the office, but as I say, every day that I am in the credit business I feel more and more that it is a mistake in embarrassing a customer by asking her to come to the office.

MR. TAYLOR (Omaha): Mr. Chairman, in regard to the limits on accounts just now, I presume some of you are having the same trouble that I am having; we are having what we call our August fur sale. I find some of my accounts carrying \$40, \$50 and \$75 limits and checks coming in for about \$600. The question is what do you do about that old limit thing, and it's a pretty hard problem.

I think perhaps I am more fortunate than some of the rest of you, maybe. My office happens to be right by the fur department and I issued instructions that all purchases and the purchasers there have been referred to my office for terms before they are allowed to leave the department and in that way I hope to get by on this special proposition.

Wherever that has been done, my procedure has been to step to the account and mark it "Special" in addition to the limit. What I mean by that is, I have put an "S" on there, which means there has been one special transaction put in on that account which does not in any way affect the ordinary account up to the limit thereto, so that we manage this proposition in this way. If there is something better, I'd like to know just how that should be handled.

I might add, Mr. Chairman, my way of getting at the limits is through the biller. I put my limits on the account. Whenever an item is

posted, put in that account over the limit, the account number is listed and handed to me and I look it up at my first opportunity and then handle it as circumstances might dictate.

I am anxious to learn if there is a better way, because I realize that that is locking the door after the horse is gone in many cases, but if there is a better way I'd like to get at it before our discussion is over.

MR. BROWN (Newark): How many billers actually notify you?

MR. TAYLOR: I will admit they don't come right across, but they are going to when I get home. (Laughter.)

MR. SEYMOUR (Cleveland): I have found I think a little better way than was suggested by either of the gentlemen who have spoken. That is, in case of a customer overbuying if it is at all possible for the credit man to go to the department and interview her on the floor. They take it in much better grace than they do either a call to the office or a call by telephone or a letter. We have the advantage of having before you and talking to you and while it is somewhat of an inconvenience for the credit man to do that, we have found it worked very successfully.

MR. BURRIS (Kansas City, Mo.): In reply to the gentleman who just spoke, I'd say that in our experience if you don't get the customer to the office, oftentimes you want to show the customer your ledger, show them the actual sheet, show them what they have been doing and you can't carry your ledger down on the floor with you.

I think that you will attract just as much attention for the credit man to go down and interview the party on the floor, or more than it would to call the customer to the office. We never go to the floor in a case like that.

In reply to the gentleman's inquiry about the furs, we handle the August fur sales with a November 1st, rating, and of course, as a rule, outside of fur scarfs, the women don't want the fur coat now, we store the furs for them until they are needed, which is usually in November, and we put a ticket on that fur saying that "This garment must not be delivered without the consent of the credit office."

In the meantime, that party who has sprung their limit so severely is supposed to pay down on that purchase, bringing it to a more reasonable figure before the garment is taken out of the store. We find that works very successfully and we don't let that garment go out when the time comes until it has been paid down to a figure where we can consistently let it go.

MR. OAKLEY (St. Paul): I have had some trouble of this nature: An account that has a limit of \$35 goes up to that limit or over before the first of the month. The party comes in before the payment for the July account is due, wishes to make some more purchases and invariably makes the statement that the account will be paid before the 10th of the month—the account of the previous month.

I wonder what the experience of other men is in this particular matter. I, of course, almost invariably grant the request with sometimes the result that the previous month's bill is not paid and the bill is \$75 or \$80 instead of \$35 and goes on until it becomes considerably past due.

MR. ROSENFIELD (Dallas): I think our troubles will be very much lessened if the credit man did have an understanding (that is to say, with all accounts that may come before him) of the customers who would naturally have a limit and would have a thorough understanding as to the amount of credit desired not at that day but at any future time, and the time of payment. If that were done, I believe that you would be apt to cause less dissatisfaction to your customers and the blame would be primarily on them if they exceeded the limit after that was thoroughly understood and emphasized.

I understand that it is quite a practice with credit men not to have this understanding, but they place a limit on that account according to their own judgment. They fix their own limit. I prefer that the customer state his own limit.

the same as a wholesaler would ask a jobber to state his limit in buying goods, at the time he is obtaining the credit there. A merchant with a limited capital would naturally ask for the limit to be expressed and I see no reason why we should not have that understanding by which the time of payment is understood and then the fault will all be with the customer if he overbuys.

I am sure that any man who uses any diplomacy could readily show that customer that he has carried out every part of the agreement in accepting that account, and the fault is with the customer and not with the credit man.

Furthermore, your application is for credit, the customer asks for a line of credit of \$100 and you feel that will be all you care to extend. When I accept an account of that sort, I state to the applicant that the application for credit has been accepted by me, and in the event that they apply for more, when I think that the reference and standing may entitle them to more but I don't set my own limit ahead of the \$100 he asked for, I state to them that we find we

tions, requests and various other ways, and we cannot have an understanding with such customers at the beginning. The question then has been asked whether it is right to notify a customer as to the amount of limits.

At one time I was connected with a large New York store, not as credit manager, but it was my duty to assist in large measure, and I know in that store that there was a rule at that time that the customer should be notified as to the limit and I have heard many customers come in and make complaints as to the fact that their account had been limited to a certain amount, and I know that in that institution there was so much trouble that they rescinded those orders so that the notification of the amount of the limit was not conveyed to the customer.

In many of the department stores authorization is done not in one place, as we have heard this morning and at other times, but at various desks and at various stations throughout the store. In fact, in our institution there are seven different places where checks are authorized, and while we may have limits, yet they do go over and hundreds of them go over the limit, and you can't revise the limits every day. Conditions are changing and prices are soaring and what was a proper limit three months ago is not a proper limit today and will not be a proper limit three months from now, perhaps.

If any of you gentlemen have a satisfactory arrangement and don't care to mention it publicly, I wish you'd write to me at my home town. I'd like to communicate with you by correspondence. (Applause.)

PRESIDENT BLACKSTONE: Gentlemen, in order to close this discussion now, as we have arrived at another point in the program, I am going to request all those in the audience who ask the amount of credit desired at the time the application for credit is received, to raise their hand. (About 60 or 75 hands shown). I am going to ask how many there are in the audience that do not ask the customer anything about the amount of account that they desire. (About 20 hands shown.)

MR. BARRETT: We don't see them, Colonel; we rarely ever see a customer.

PRESIDENT BLACKSTONE: When I say "you" to the convention here, I mean the man or the woman or credit clerk or credit man who interviews the customer; I don't mean the credit manager himself, who in many cases does not interview all of the applicants for credit and in some cases interviews none of them. Do you understand, Mr. Barrett?

MR. BARRETT: Yes, sir.

PRESIDENT BLACKSTONE: Another of the questions we have is "Upon what should losses be figured?" How many of you in the audience figure your losses on the total net charge sales? (About 50 hands shown.)

How many figure your losses on charge accounts on the total sales of the store? (About half dozen hands shown.)

MR. KAUFMANN (Birmingham): I'd like to ask Mr. Solon, who said his losses were —%, what he figured it on?

PRESIDENT BLACKSTONE: Mr. Solon just stepped out of the convention hall.

MR. KRUSE (St. Louis): I asked Mr. Solon that very question immediately after he sat down in his seat and he said he figured his losses on the amount of credit business done, and that it amounted to —%; that he did a department store business and they also sold furniture.

PRESIDENT BLACKSTONE: I have given instructions to the reporter that the percentages quoted in this debate will not be included in the records of the meeting. I have done this so that those who are not in attendance at this convention cannot take advantage of the information that has been given to the delegates as a matter of presumed confidential co-operation.

Another question relates to the responsibility of a husband in the granting of retail credit. I have before me a paper prepared by Mr. Zadek, of New York City, who has made a very careful



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National Director
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have not sufficient information that will warrant the account exceeding so much; they have a clear understanding of the situation, and I have very little trouble.

MR. BROWN (Newark): Mr. President, I have heard a good deal of discussion yesterday and today about this overlimit business but there is one phase of it that I have not heard mentioned yet. A number of you have suggested that an understanding be had with the customer at the time the application is made. I am connected with a large department store. I know in our institution at least a large number of applications are received by mail. We do not have an interview with the customer at all, and — v that same condition prevails in — of the country in other large stores. I bled around and interviewed a good credit men at different times—I ty of the various large stores—had one of you credit men give me that you had a system e limits that was satisfactory the first time that I have heard satisfactory arrangement and I'm good many strings to those tioned today.

think we ought to be truth-
t least, and we must admit
ns when we open accounts
ers—you know as well as
e opened by means of
telephone communica-

study of this particular phase of the credit situation. As Mr. Zadek is not in the hall, I am going to lay it aside and later ask one of our members to read it.

The next thing in the program will be the presentation of the subject, "The Importance of Accurate Reports as a Factor," after which, if we have the time, we will go back to the quiz. (Applause.)

MR. A. J. KRUSE (St. Louis): Mr. President, Ladies and Gentlemen of the Convention: Some time ago we were discussing the matter of present day credit conditions and it seemed to me that those problems that confronted credit men today dealing with the extension of credit under present day methods and conditions can be solved entirely by their securing and supplying themselves with accurate information dealing with the applicant at the time the application is made, and the original credit ex-

tended. Of course this cannot possibly be observed in all cases because there are extenuating circumstances, but in the main such a policy could be observed, gentlemen, and to my mind that would help wonderfully in solving your problems as they come up from time to time, dealing with the credit troubles of your store or of your community.

In the compiling of information dealing with credit reports, considerable care must be exercised. This cannot be over-estimated. It must be always and constantly in the minds of the individuals who are desirous of rendering a service to their members, to their association and to the credit men generally; also to the individual reported on.

Retail credit reporting in the past five years has possibly been recognized as more and more important, especially so during these years when the credit men through their national organization and through their local organization have expressed themselves as being desirous of co-operating one with the other in eliminating the undesirable from their books.

That co-operation is carried out through either their local bureaus; whether they be owned by the merchants or merely controlled by the merchants is immaterial. If the co-operation is there on the part of the credit man with the reporting agency or bureau—and we use the term "bureau," speaking of both of them because that, it seems to me, is the 20th century name for the reporting organization—a bureau is an organization through which the credit men of the city or of the country interchange not only their ideas but interchange the actual ledger experiences as they have them on their ledgers.

Yesterday one of the speakers spoke of 99% of the people of this country being honest, and he is right—no question about that—but did you ever stop to think, to consider carefully, that the 1% who lack this honest quality can buy as much if not more if you let them than the 99% who are honest? And this 1% are the fellows that you must be careful about, constantly and ever be on your toes to guard against, and that is the reason for organizations of this kind, that's the reason for organizations known as credit bureaus through which the merchants interchange their valuable information.

So many times in speaking of credit co-operation we think it is just something through which we get together and talk about experiences as we do here, but that is only the beginning or the stepping stone. Credit co-operation means the desire and the anxiousness on your part to help your fellowman, to assist him in avoiding the same troubles that you avoided, to assist him in eliminating from his ledgers those individuals who successfully stuck you.

Credit co-operation means all of that. It means carrying out that principle to the very letter. A spirit of co-operation between the credit man, between the member of the local association and the reporting organization, is extremely essential. In fact, a relationship between them cannot be too close. They must be extremely friendly, they must work one with

the other constantly. In the case, of course, of a merchant-owned organization, that fact is forced on the management to the extent of them definitely outlining the policy.

That same condition exists, I believe, in the manner of conducting a merchant-controlled organization and the men in charge of these organizations are always anxious to carry out the will of the credit man so they may render an accurate report, so that reports may be rendered of service and valuable to the credit man.

Another phase of this accuracy in the compiling of credit information is in the necessity of the credit man supplying to his reporting organization all of the information that he has. In St. Louis, for instance, the larger stores supply us either with a copy of the application blank or information as they have secured it, giving us not just a brief synopsis of what they have, but all the information that they might have in order that we might work with them in arriving at an accurate solution of the applicant's condition to open an account.

And such an arrangement, gentlemen, is the only satisfactory arrangement by which an accurate report can be rendered. If in the case of the credit man not securing sufficient information, or information through which the bureau might successfully secure an antecedent report, they are handicapped, especially so when, as it happens in some cases, the bureau is instructed not to interview the applicant. That condition does not come up very often in St. Louis, I am happy to say, because the credit men there have realized more and more that nobody knows more about himself than the applicant and an intelligent questioner, whether he be credit man or whether he be the investigator in the employ of the bureau, investigating the facts, can always arrive at a basis for securing such information as can be classified as an accurate report.

This close co-operation between the two will make for frankness on the part of the applicant when they begin to understand that the credit situation in that particular city or that particular locality is being handled intelligently and is being handled for the benefit of the applicants as well as the house.

In many cases, speaking again of St. Louis because I happen to be more familiar with their policy, it is very common in the case of an applicant applying to one of the stores for an account and the applicant not seemingly desirous of supplying information to the credit man, that that credit man advises the applicant in a very frank manner that investigation will be made through their credit association, that they will be looked up and will be advised as to whether or not the account will be opened and, again, they are oftentimes told that in the course of a day or so a reporter from this organization will call on them for a financial statement.

Frankness pays every time, as many times these men come to us voluntarily to supply us with that statement on which we can work up an intelligent report, not accepting his statement as evidence of the man being good or being bad, but merely as a basis, as the foundation stone on which you might build a credit report that would be a structure, intelligent and safeguarding to both interests.

The paying habits of the individual plays the most important part, in the co-operation that has existed during the past several years between the credit reporting organization and the credit man, for with present day co-operating and conditions existing between these two factors, the credit man is anxious that his reporting organization shall have in it a record of all of his charge accounts, information dealing with the paying habits of all of his customers, not just some of them, gentlemen, but all of them.

In St. Louis, for instance, we have in our files the paying habits of all of the customers of the principal stores of the city of St. Louis. They supply us with that information dealing with their customers, the age of the account, the amount of credit, the manner of payment and

whether active or inactive—not just a certain classification, not just a derogatory account, but all of those accounts, and that information gives us a hammer or a wedge to use when necessary that helps the retail trade of the city most wonderfully.

Illustration after illustration could be cited showing the value to the retail merchant, to the credit man and to the community at large of the value of this close credit co-operation. It is important to the community that the people in it understand their obligation to the retail trade. It is important to the merchant that he be safeguarded as much as possible from the unscrupulous and from these 1%ers (shall we call them?) and it is indeed convenient in enabling the credit man to render a prompt and efficient service to the applicant when he can go to the bureau for information dealing with the experiences of the applicant covering the accounts with his competitors.

That condition doesn't exist in all cities, but it is fast becoming a universal condition and I believe the time is near when that fact will exist in every city of this country. That fact can exist, gentlemen, through a merchant-owned or a merchant-controlled bureau, it matters not which; the fact remains that co-operation must be manifested in actual deeds, not only words.

From time to time an applicant, after information has been secured from the reporting organization, is declined credit and some of the gentlemen here raised the question a while ago if the reason for declining the account is told to the applicant. I intended at that time to make some remarks on the question, but I deferred them until this time.

Let me tell you, gentlemen, it is a mistake and a big mistake when you do not advise the applicant why you decline his account. You are doing him an injury and you are not helping credit conditions in your city. Let me cite to you an example.

An individual applied to one of our large women's stores in the city of St. Louis for credit, a man of responsibility, a man worth a quarter of a million dollars. There was no question about his responsibility or his ability to take care of his bills, but information from something like a dozen different sources showed that his manner of payment was five, six, seven months and in some cases as long as a year.

The women's store declined the wife credit. The next morning the husband called at the women's store credit office and said to this women's store, "My wife applied to you for an account and she was declined," and he was extremely indignant. He couldn't understand why she was declined credit.

The lady who happened to be in charge of this credit office stated to him, "Mr. O., the information we have is not satisfactory and does not justify us in opening an account. If you think it should be otherwise, kindly step over to the office of our association and see Mr. Kruse."

The gentleman came over in a few minutes and he was extremely courteous; he was a gentleman, and he said, "I can't understand why my wife should be refused credit. I have a position here of consequence; I have assets of a character that should enable me to get all the accommodations my family desire."

I brought his record card from the file and said to him, "It isn't a question of responsibility that is involved; you are amply able to take care of your bills, but the point at issue is this, that you are not paying your bills promptly," and he said, "Well, possibly I am not. That is, I pay them—oh, I pay them every once in a while."

I said, "Yes? What do you mean by once in a while?"

He said, "Sometimes it's three months, sometimes it is six months, and it has run a little longer at times."

I said, "Exactly! That's the trouble, and the house to which you applied for credit does not want your account because they do not care to carry on their ledgers accounts that run that length of time before they are paid. Money

borrowed from your banker must be paid when due—why not your retail accounts?"

I said, "Mr. O., St. Louis has not arrived at the happy state where all the houses that are now selling you are going to write you a form letter and decline to carry your account any further, but they have arrived at this stage, that when you apply for a new account you, if you consider it in such a manner, will be embarrassed to the extent of being advised that you are not a desirable credit customer and your account is not considered satisfactory."

He thanked me for the information and he said, "I want to give you my word of honor that I'm going out now and pay up every dollar I owe in the city of St. Louis and I want to promise you that every bill I contract in the future will be paid in thirty or sixty days at the outside. I give you my word on it." He said, "I didn't realize what retail credit was. I didn't appreciate it, and I am frank to admit it."

That was three or four months ago. On last Friday I took the opportunity of checking up the man's record for the purpose of coming here and telling you what happened in this particular instance and I want to tell you and go on record as saying, that this gentleman on that day did not owe in the city of St. Louis any merchants a bill older than sixty days, and in this particular case, this man buys at a half dozen of our stores regularly every month bills running several hundreds of dollars.

Co-operation helped wonderfully in that case and that man is going to preach the gospel of prompt pay to his associates. You can bet your life he will do it, because he is realizing it having been brought home to him forcibly, that promptness pays and pays every time.

Other cases could be cited dealing with similar incidents. In many cases the information is of an extremely derogatory character because the man is not entitled to an account and is unworthy of credit, not being able to take care of his accounts in the first place and in the second place not having paid what accounts he has contracted or not having paid them in a prompt manner.

Such men are also referred to the office and many and many hours do we spend with such individuals explaining to them the principles of retail credits and how the merchants are banding themselves together not only in the city of St. Louis, but in other cities, and name them all along the line. If, perchance, they tell us they come from one city or another, and we know that there is an organization there we call to their mind that there is an association there similar to ours and it will be impossible for them to leave St. Louis and go elsewhere and repeat their performance; we try to deliver them a Christian lecture (shall we call it?) and many times we succeed.

Sometimes, of course, they are hard, calloused fellows and it makes no impression. Sometimes they get indignant and want to fight. Of course they do, human nature is the same the world around, but I want you to know that in the large majority of these cases these men are made into real Christians by the frankness on the part of the credit man in confronting him, not with a statement that he is a crook, not with the statement that he is no good, not with the statement that he is unworthy of any confidence, but with a statement that the information received is not satisfactory and does not justify us in opening the account. That is sufficient, and then we do the rest.

With the credit man assisting us and anxious that he might be the means of assisting his brother credit man. This helping of credit condition, we find the results of true co-operation.

Another case—an individual applied to one of our stores for an account and the application was left, just the name and address and business with no references, no city he came from, nothing except the name, address and business. Investigation found that he had been in St. Louis for a period of eight or nine months, he occupied a position paying him \$250 a month, had no real estate, had no bank account; he was boarding at a sort of family hotel, had been paying his board to that hotel promptly; had two small

children and the employer spoke well of him and said he came well recommended. That seemed to be the end of it.

"But," the employer said, "this man was recommended to me by an individual; I don't know just exactly who, but possibly I can get that name for you."

Being desirous of obtaining an accurate report and knowing that if a man has lived for forty years, that he surely must have had some accounts somewhere, we finally secured the name of this man who recommended him, who was a local attorney. We interviewed the attorney and the attorney in a vague way spoke of the man, not caring to give us any particular details or information about the fellow, seemed to think that he was all right, but there was an undercurrent there that indicated there was something wrong with the chap.

It developed in the course of investigation that this man was the chap's personal attorney. We communicated with the credit man verbally and stated the condition of affairs, also advising of the record of an individual of the same name. It had been stated to us not to interview the applicant on account of the nature of the previous application. This happens from time to time and is a condition that must be recognized. The credit man granted the privilege to interview this man. A reporter was sent to interview the gentleman and he was asked for a financial statement of himself, information as to where he came from and references.

He went down the line, supplied practically the same information that I just explained to you, but when it came to references he had no accounts, never lived in St. Louis before, claiming no connections with men of the same name formerly of St. Louis, stated he had lived in Chicago, Ill., formerly and when he was pinned down for what he did in Chicago or where he lived he didn't seem to remember any of those things but mentioned he also was in Kansas City at one time and then when he was advised that it was necessary for him to supply references in order that we might be able to gather some data as to who he was, his habits and character and general standing in the community, at last he supplied us with the name of another attorney, another individual separate from this first lawyer.

We interviewed this reference, who was desirous of helping the other fellow, and he said, "Yes, Mr. R. is now in St. Louis. He's the same fellow that was here some five years ago. He was formerly in this business" (and he mentioned a business of a man whom we knew very well, having had several different connections).

An investigation of our records disclosed information in those files showing that he was owing something like four or five of our St. Louis houses, aggregating five hundred dollars.

The gentleman was called on to explain the conditions and admit whether or not he was the man. But he denied it; denied it in the face of the evidence!

We then secured from the houses interested a copy of their statements, information as to where they had record of having opened the account and information was then supplied to our collection department who confronted the attorney who had supplied us the connecting link and he, having admitted the fact to our reporter, could not deny the facts. This man is now in the course of paying and liquidating these old accounts.

That would never have happened, gentlemen, if the stores of St. Louis had not co-operated to the extent of supplying their St. Louis office with a list of all their customers showing how they paid, and how they didn't pay; they could not have checked up instantly as to the paying habits, as to the individual—whether he was desirable or whether he was not desirable.

Many lost accounts have been found in this manner. In fact, one of our credit men who is a delegate to this convention has told me on more than one occasion that the amount of money he saves on P. & L. accounts in just this manner has more than paid him for the

amount of money the bureau costs him during any one year. That is evidence of the fact, gentlemen, that co-operation in this line certainly pays.

There is another phase of this credit matter that should never be forgotten and that is in the fact that you have an applicant on your books whom you are selling him constantly and perchance he may be paying you promptly or perchance he may be paying you a little slow and you are continuing the account.

In the well organized, well managed retail bureau office they keep the retail merchants of the country posted constantly as to the manner of payment of these individuals when they become delinquent with others. For example, if five or six stores are selling an individual and he becomes delinquent with another member of the St. Louis association, a record of that information is sent to every house who has this account.

On Thursday of last week Mr. Miller from Fort Worth, Texas, came into the office and while he was standing at my desk four cases came up that illustrated very forcibly the value of the credit co-operation I am talking about. Four actual cases, not something that had been made up for the occasion, gentlemen, but something that actually happened. Let me recite them to you briefly.

First a women's store called up, "I want a report on So-and-So. I have had an account with him for quite a long time. He has been paying me a little slow, but paying me very nicely. However, I haven't sold him recently. I have received record card from you some months ago saying he was getting slow pay in the trade. Will you kindly see how he stands?"

We referred to the master card and found he was owing a bunch of bills. They immediately stopped the account on the individual.

Another case of an individual walking into a men's furnishing store, giving his name and address, said he had no accounts at stores. The antecedent information dealing with this case was very satisfactory as far as it went, going on to say that the man was employed, working, wife working, both having an income and getting along nicely, but it didn't say anything about how he paid his bills. However the record from the stores showed that he was owing a men's furnishing goods house \$35 for May, a jewelry house a balance of \$4 on an N. G. check he had given previously, had repeatedly given them N. G. checks; a third house reported "account closed, too slow, six months ago."

In a third case the individual applied to a store and he stated that his connection was such-and-such, his family connections were excellent; he recited his family pedigree, told who his father was and his grandfather; that he wasn't actively occupied at the present time; interested in an estate well known in St. Louis. He was living quietly, etc.

Investigation showed that he was owing some three houses in the city of St. Louis past due accounts. Not only that, but it showed in this particular case that he had appeared in one of the men's furnishing stores on Monday of that week and paid them \$10 on a \$24 P. & L. account and he had the nerve to tell the credit man that he had no accounts in the city of St. Louis.

Information as to his responsibility also showed that while he had an interest in the estate it was all tied up in vacant lands, which vacant lands had been merged into a holding corporation, said holding corporation being owned by himself and sister jointly. The asset consisted of vacant land, which bore no income and which bore an encumbrance for practically as much as the land would sell for if it was put on the market or sold at foreclosure, the parties admitting at the same time that the land could not be sold because there were no buyers, it could not be rented because the location was not fit to be occupied by businesses at this particular time.

Now, gentlemen accuracy in those cases certainly have paid haven't they? I could go on for hours and recite cases, not something just

that listens well, but something that has actually happened, something that makes it possible for the credit man and the credit bureau by working in co-operation to save themselves and save the merchants of this country much money.

There is one phase of this credit problem that possibly has worried some cities and that is the cost of service. The cost of service has been summed up completely by one of our St. Louis directors some time ago, who made this statement—that we are willing to pay for service, that the cost involved is of no consequence if we receive service and that is what the credit men want; they want to be able to secure something that will assist them in saying yes or no, not to be something that will say yes or no for them because the credit bureau should not attempt at any time to dictate to a credit man whether he should sell or whether he should

particularly to the article on page 2 which reads, "50-50. A Letter from Myself to Me"—I'm not going to read it to you because you have a copy there and it's getting late, but it's well worth your attention because it calls to your mind that credit co-operation means service; it means an anxiousness and a desire on your part to go the limit to help your fellowman.

Thank you. (Very hearty applause.)

PRESIDENT BLACKSTONE: The time for adjournment is here, and I will not detain you very long. We expected to have a discussion on this question, but as it is now 5:40 I think we will have to cut the discussion a little short as everybody expects to participate in the boat ride this evening.

I would like, however, to ask if it is the pleasure of Mr. Truesdale to present any discussion on this at this time.

MR. TRUESDALE (Youngstown): No, I didn't intend to do any talking on the subject. I simply wanted the crowd to talk about it. As time is short, I suggest we pass it up, now.

PRESIDENT BLACKSTONE: There are a couple of questions here I am going to put through in a hurry if you will give me your attention.

How many delegates here present use the "Address Wanted" service in the Credit World? (Large number of hands shown.) How many of you find it beneficial? (All hands go up.) How many of you consider that this service should be continued? (About 80 hands shown.) How many of you will continue to use it in the future? (All hands shown.) Thank you.

"Should agencies and bureaus exchange free credit reports?" I will merely say in a short sentence or two what has been told to me by delegates.

One thing is this: It is an advantage to the agencies or the bureaus in different cities to receive free interchange of reports from the other cities. That is one side of the argument. The other side of it, briefly stated, is that if you want a service from anyone, you should pay for it. In other words, if I want a report from St. Louis, I should pay for it; if St. Louis wants one from any other city in the country they should pay for it.

In order to dispose of some of these things quickly, I am going to put the question in this way: How many of you believe that reports from city to city, meaning from bureau or agency to agency or bureau, should be paid for? (About 20 or 25 hands shown.)

How many of you believe that there should be a free interchange of reports? (About 30 or 35 hands shown.) I notice that only a small number of those present are taking part in the voting.

The question will be disposed of for the time being.

"Does a system of securing guarantees or accounts aid in business building or character development?" All in favor, raise their hand. (About half dozen hands shown.) All those who consider that the system of securing guarantees of accounts is not an aid in business, raise their hands. (About a dozen hands shown.) How many believe that it is an aid in business? (About 30 hands shown.) How many are neutral on this question? (About a half dozen hands shown.)

Here is a question that was propounded to me by one of the officers of your association who has had several delicate experiences in connection with it—a case where a customer applies for a credit account and gives references, the credit man writes to the reference for information and receives a reply; should he send a letter of thanks to the person, bank or store that gave the reference? All in favor put up their hand. (Four hands shown.) Those who think that it is not necessary to send a letter of thanks to the reference? (Almost all hands are shown.)

PRESIDENT BLACKSTONE: A hundred to one against it.

The question has been asked me to propound to this convention, "Is the audit of charge sales checks more important than its proper charge



IRVING C. BROWN
Director
NEWARK, N. J.

not sell. He is only there to render the facts in the case, the credit man is the judge and the judge always.

Some bureaus have made a big mistake by attempting to recommend or not to recommend an individual for credit. It places you in an extremely embarrassing situation when the individual is referred to your office by the credit man. As happens in the city of St. Louis, they refer them to the office many times a day and if we attempted to say to the credit man he is good or he is no good, we would get ourselves in hot water constantly.

They come in and make those statements to us, of course—that we said they were a dead beat, we said they were a crook, we said they were undesirable, not entitled to credit, but knowing the facts and knowing we have the facts to back up information that was furnished us, it is easy to convince that man of the error of his ways and it's easy for the man or the individual or the association that desires to make out of this kind of men individuals who will help the community, who are a betterment to retail credits, who make retail credits indeed something that is to be sought after, and furthermore makes the individual recognize that retail credit is something to be appreciated and to be appreciated greatly.

Several days ago we issued in St. Louis a bulletin dealing with credits, co-operation and other matters. We passed some of these out in the audience and I want to call your attention

authorization?" All in favor of the proper charge authorization raise the hand. (About 30 hands shown.) Those who consider the audit more important than proper charge authorization? (Not a hand.)

"Would it be advisable to publish in the Credit World a list of questions relating to retail credit conditions such as increase or decrease of monthly collections, approximate percentage of losses, etc., and such other items as are of profound interest to retail credit men?"

"Would this be adding to the value of the Credit World as a publication for credit men and retail merchants? (A great many hands shown.) All contrary-minded? (No hands.) It is unanimous.

"Should our National Headquarters issue a series of studies on the subject of retail credit in such manner as to enable every retail credit class to have the same lesson for study at the same time?" (About 40 hands shown.) "All those who think it would not be advantageous to do so, raise your hands." (No hands shown.) Another unanimous expression of opinion.

"Within what period of time do you consider an account active?" "How many of you consider an account inactive after it has not been purchased on for sixty days?" (Four or five hands shown.) "How many consider an account inactive at ninety days?" (About a dozen hands.) "How many consider an account active up until after four months?" (About 20 hands shown) "How many consider an account active up until six months of no buying?" (About 40 hands shown.)

I have two very important papers here and with your permission will dispense with reading them until tomorrow morning. Both of these papers are on the question that I put to you a few minutes ago. One is by Mr. Zadek and the other is by Mr. Lewis.

All in favor of postponing action on these two papers until tomorrow morning or Friday will give their consent by saying "aye." (Unanimous.)

Adjournment at 5:48 o'clock.

THURSDAY MORNING SESSION

The convention was called to order at 9:30 by President Blackstone.

PRESIDENT BLACKSTONE: Invocation by Rev. Jacques.

PRESIDENT BLACKSTONE: The report of Mr. Nagle, Chairman of the Committee on Resolutions.

MR. NAGLE: Mr. Chairman, Ladies and Gentlemen: The first four resolutions are pertaining to mercantile agencies.

"Whereas, The Retail Credit Men's National Association was formed for the purpose of furthering sound and mutually beneficial credit practice, and

"Whereas, For the purpose of eventual control we fully recognize and advise the ultimate centering of all credit information (and especially derogatory and legal data) in one quarter in each city, and

"Whereas, For reasons of expediency and education this association early in its history advocated the freest of interchange of information between credit men, and

"Whereas, We now believe that no appreciable feeling of suspicion or trade jealousy exists among credit men in disclosing all information at hand and that the purpose of this advocacy are accordingly accomplished, and

"Whereas, The interchange of credit information direct between merchants or inquiry by merchants direct of references when they have a single common medium of investigation or reporting in practice does not result in this information being placed of record in one quarter for the common good of all; be it, therefore,

"Resolved, That it is the concensus of this convention, from the standpoint of sound theory and practice, that all members or sub-

scribers of merchant owned or commonly supported agencies, associations or bureaus should obtain all information possible through these channels."

PRESIDENT BLACKSTONE: The Chairman of the Committee on Resolutions has read this resolution. Is there any discussion?

MR. BROWN (Newark): Mr. President, may we have the last part of that resolution read again?

Executive Secretary Woodlock re-reads resolution.

MR. BROWN. Mr. President, it seems to me from just hearing this casually read that there are two or three words in there that are quite dangerous—where it says "or commonly supported." If I remember the wording correctly, I think those two or three words in there comprise what we sometimes call in slang "the joker." I don't like just that wording there.

PRESIDENT BLACKSTONE: If you don't like this resolution, will you make a motion that it be referred back to the Resolution Committee and that they, in conjunction with the Executive Secretary, have carbon copies made for distribution and we will have it discussed later.

MR. BROWN: I will make such motion. Seconded by Mr. Kruse and carried.

MR. NAGLE: (Reading):

"Whereas, It has come to our attention that the Directors of the National Association of Mercantile Agencies have suggested an increase in the purchase price of the interchange coupons from 65c to 80c, and

"Whereas, As individual credit grantors we are vitally interested in such eventual organizations as will insure the most scientific control of the credit-seeking public, and

"Whereas, It appears more essential at this period of the development of a national structure, through which to accomplish this ideal that we anticipate every objection to having as much information as possible flow through agency channels and forge as elaborate and extensive a chain of capable correspondents as is possible, that even should it be shown by some of the members of the National Association of Mercantile Agencies that they are producing reports at present at a greater cost than 60c, we are convinced that this cost is slight and only true with those situated in larger cities and that to those members it should be pointed out that some sacrifice is often necessary for the realization of an ideal, therefore be it

"Resolved, That the proposed increase of the National Association membership interchange fee is ill-advised and inexpedient at this time and that the National Association of Mercantile Agencies in establishing its inter-membership relations, do so with the broader vision of a great national retail credit and reporting structure so co-ordinated and interlocking as to insure the most exact return of information. Be it further

"Resolved, That a copy of this resolution be conveyed to the Secretary of the National Association of Mercantile Agencies preceding their convention which convenes immediately following and that the courtesy of their support thereto is solicited."

PRESIDENT BLACKSTONE: You have heard the reading of the resolution. Is there any discussion?

If it is permissible for the presiding officer to state an opinion, mine will be to the effect that important resolutions of this kind should be presented to the delegates in such manner as will permit of them to study them rather than to act hastily upon merely hearing something that has been carefully constructed by another man whose name does not appear on the resolution. If anyone agrees with me in that opinion, will they make a motion to that effect?

MR. SHIRK (Oklahoma City): It occurs to me that the adoption of resolutions prepared

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by the mind of another who perhaps has given the subject matter of that resolution, or those resolutions, very careful thought and whose mind we do not know, and the individual we do not know, and believing, of course, as we would be compelled to believe, that his motives were wholesome, yet we do not know positively, it occurs to me that it might be well to have the Resolutions Committee prepare mimeographed copies of all these resolutions and have them on the seats of each delegate tomorrow morning if you please, sir, if that would be possible, in order that each and every resolution could be studied between now and some time tomorrow, thereby giving each and every delegate an opportunity to ascertain their full intent and meaning.

For that reason, Mr. President, I move that the Resolutions Committee prepare sufficient number of mimeographed, multigraphed or printed copies of all resolutions and submit them to delegates for such period of time as will enable each to study the resolutions before they are submitted for ratification or rejection.

Motion seconded by Mr. Snider of St. Louis and carried.

PRESIDENT BLACKSTONE: The Committee is so instructed.

Under those circumstances, Mr. Nagle, the Chairman of the Committee, will act according to the motion just adopted.

As matter of information to the delegates, I state that the Executive Secretary has just given me the information that 132 new members have been received into the National Association since this convention convened on Tuesday morning. (Applause.)

The next thing on the program is the report of the Committee on Bankruptcy, which will be presented by the Chairman, Past President Taylor, of New York City. (Applause.)

Mr. Taylor reads report, which is prepared and bound.

REPORT OF BANKRUPTCY COMMITTEE.
Wm. H. J. Taylor, Franklin Simon Co.,
New York.

The Committee on Bankruptcy has not been able to accomplish anything more than to agree on certain changes in the National Bankruptcy Act, which, if made, will be in their opinion very beneficial to retail merchants throughout the United States.

It will not be an easy task to have any changes made in the National Bankruptcy Act, because of the strong opposition to any change coming from attorneys and other powerful interests. Besides, there is a very large class of people who favor the repeal of the present Bankruptcy Act. When many changes are asked for it might be an opening wedge to start a movement for repeal.

The present Act is much better than none, and credit men do not want it repealed, but do want some important changes made which, if made, will make it hard for the dishonest debtor. The Committee recommends that Voluntary and Involuntary Bankruptcy be put on the same basis, viz.—limiting the amount to \$1,000. By placing voluntary and involuntary bankruptcies on a parity as to the amount of indebtedness for such procedures seems very fair and just to the committee and is sincerely recommended. It would prove far better, perhaps, were the National Bankruptcy Act confined exclusively to commercial insolvencies, but imposing no limit as to indebtedness upon voluntary bankruptcies causes a larger number of pauper cases which clutter up in some districts the bankruptcy courts, leads to frequent injustices and only satisfaction and fairness may be anticipated when establishing the sum of \$1,000 as a condition alike of voluntary and involuntary bankruptcy petitions.

Another important change is an amendment which will prohibit the scheduling of personal debts with business debts, because there are many cases where individuals have obtained

credit on the strength of their business rating and when they are about to make a voluntary assignment in bankruptcy will buy largely of wearing apparel and other necessities, knowing they cannot pay for same (and in many cases do not intend to pay), and schedule their personal obligations in with their business debts. This is fraudulent and the Act should be so amended as to prohibit anyone filing a voluntary petition in bankruptcy and scheduling his personal debts with those of his business debts, unless the indebtedness was contracted four or more months previous to the filing of the petition. A discharge in bankruptcy should be denied in all such cases, also in cases where the bankrupt has not conserved at least 25% of his assets, otherwise should be deemed evidence of fraud as to such claims.

The Committee has been co-operating with the Bankruptcy Committee of the National Association of Credit Men (Wholesale) and much credit is due to Mr. J. H. Tregoe, its Secretary and Treasurer, for the interest he has taken in the work of the Committee on Bankruptcy of the Retail Credit Men's National Association. When the opportune time comes the joint committees, wholesale and retail credit men, will go to Washington and urge the Judiciary Committee of the Senate and House to make such changes as the committees feel have a reasonable chance of passing Congress.

The Committee believes that for the present its efforts should be directed to improvements in the Act where the necessities for them had been properly sustained and were indisputable and that the concession by Congress of the various amendments recommends that the law would be brought into closer conformity with present conditions in our credit commerce, and that no attempt should be made for a more general revision of the law, the committee feels that its work would receive the recognition of the Judiciary Committee of the Senate and House and that an amendatory bill conforming with its recommendations would be insured a successful passage through Congress.

The Committee fully believes that during this session of the Retail Credit Men's National Association assembled in Detroit, Michigan, a Resolution should be passed, setting forth the report of the Committee, and a copy sent to the Judiciary Committee of the House and Senate.

The following resolution is respectively submitted for the approval of the Convention now assembled.

THE BANKRUPTCY COMMITTEE,
W. H. J. Taylor, Chairman,
John D. Clarke.

**Resolution Offered at the National Convention
of the Retail Credit Men's National
Association.**

Whereas, The National Bankruptcy Act was designed among other things to enable honest debtors who had met with financial reverses to obtain a discharge of their debts upon the surrender of their property to the court for equitable distribution among their creditors; and

Whereas, It has come to the attention of the Retail Credit Men's National Association that in many cases individuals have obtained credit for personal wearing apparel and other necessities of life without any financial basis for such credit and without intention to pay therefor; therefore be it

Resolved, That this Association recommend the amendment of the National Bankruptcy Act as follows:

1. That no petition in bankruptcy be filed except where the provable debts aggregate at least one thousand dollars;
2. That no discharge be granted to a bankrupt for such debts as were contracted for personal and family living expenses within four months prior to the filing of the petitions;
3. That failure of a bankrupt's estate to pay a dividend of at least twenty-five per cent upon claims for personal and family living expenses

be deemed presumptive evidence of fraud as to such claims;

4. That the burden of proof of the bankrupt's compliance with the requirements of the Bankruptcy Act and of the orders of the court touching his bankruptcy should be upon the bankrupt.

PRESIDENT BLACKSTONE: If there is no objection on the part of the convention, the report will be received and filed. The resolution will be referred to the Resolution Committee and the report referred to the new Board of Directors for action during the coming year. Hearing none, it will be so ordered.

It isn't often in the lifetime of an ordinary President of our Association that he has so many opportunities to reintroduce a man in whom he has such great regard, respect and admiration. I believe that there are no words of mine that could place him deeper into your hearts and I will merely state that it is always a pleasure to me to be in the society of, or to hear or see Past President Blandford, who will now address us on the subject of "Office Control." Mr. Blandford. (Applause.)

MR. BLANDFORD: Mr. President, my Fellow Members: There is only one difficulty in an introduction such as our worthy President has given me this morning and that is that one has to try and live up to it and it's rather difficult for me even to attempt to do that this morning.

The subject which your President has assigned to me is rather a long and interesting one. As I sat down in my home to think over this subject, it occurred to me that I might occupy perhaps half of the time of this convention if I went into all the details and covered all the points that I would like to cover, but that is impossible.

I would further like to get up and talk to you off-hand this morning, my friends, or this subject which I shall cover by a paper, but there are too many details and therefore I am going to ask you to bear with me this morning while I attempt to read what I have committed to this paper.

In dealing with the subject of office control, I have assumed that inasmuch as this is intended for the ears and minds of Retail Credit Men that I am expected to confine myself to what is known as the Department of Retail Accounts or Office Control in its direct relation to the handling of Retail Credits. The primary object of a retail business is to convert merchandise into money at a profit or to turnover the capital employed as many times as conditions will permit; hence, the importance of first-hand knowledge as to system and detail of retail accounting and that close and intimate relationship between the bookkeeping and credit departments.

The application for a charge account and its approval by the Credit Manager is but the beginning of what pertains to be a very important transaction which becomes complete only when the account has been paid, and this operation may be repeated with more or less regularity during the life of the account. In handling this particular subject, I shall not dwell on the importance of the first impression made on a customer when the application is made, but this has such an important bearing on the future relations between the customer and the store that it seems worthy of some emphasis. The first interview should promote a feeling of mutual confidence; it is desirable that the customer should go away with a feeling that he or she has a friend at court and that if anything goes wrong, the one most interested in satisfying the customer is and must be, the one on whom the responsibility is placed for the proper and successful handling of the account from its inception and throughout the life of the account.

If the credit and bookkeeping departments are disassociated and under separate responsibility, there is a possibility of engendering a feeling that it is the other fellow's funeral if the accounts get mixed up or if there is a laxity in bookkeeping or collection methods. I do not mean to say that there are no successful

credit men who are not familiar with and capable of supervising office detail. I do believe, however, that the credit manager who has the capacity to supervise and control every detail of retail accounting and is given that authority and responsibility, is in a stronger position than otherwise.

For instance, who better appreciates the importance of delivering a clean and clear bill promptly on the first day of each month. That bill should have a proper prefix, the name and address should be absolutely correct. There should be no possibility of rendering two separate bills spelled slightly different or of opening two separate accounts for the same person. Who recognizes more fully the importance of crediting all goods returned and having all credit items, including those for the last day of the month, appear on the bill rendered the next day. Surely the credit manager is interested in having the daily billing or posting up to date every day in order that he may know the condition of the account at all times. Then as to dunning. Of course, one is only sure of the account if the ledger is in balance, but at least the daily postings must be up to date before making an analysis for dunning purposes. We cannot overlook the importance of bill adjustments which should always command prompt attention, but no bill should be rendered while there is an adjustment pending and surely we should be careful not to solicit payment while the adjustment is pending usually through no fault of the customer.

If there is divided responsibility there is a natural tendency for each separate manager to look out for his own particular end. To the office manager, the trial balance is of first importance, and it is of vital importance, but often secondary for the time being while attention to the individual account commands first place. I wish to emphasize, however, the importance of a monthly trial balance sometime during the month following. When books are out of balance with the office control or still further, if the retail figure is not in balance with the general control, there is something wrong and if allowed to drift it may be very difficult to get back again on a proper footing.

In assigning this subject to me, I do not think the President intended that I should discuss any particular system or method of bookkeeping, because we might occupy the entire convention session discussing the various systems employed. Rather, I am trying to deal entirely with the principle of office control and to show why the Credit Department is so linked up with the office detail that its control should come under a single head and that the interest of the house is best served thereby. I may here enumerate some of the details which make up the routine work incident to the opening and collection of accounts, applications, investigations of references, special reports, limits or ratings, terms, notification, visible index, billers index, location index, identification, authorizing, collecting, sales slips, sorting, listing by machine, billing, refiguring, posting to individual accounts, verifying credits, checking daily totals, adding bills, mailing. Assorting incoming mail for cashiers, cashier's balances, bill adjustments, assembling figures for control, trial balances, analyzing accounts, dunning, dictation, letter filing, details of collection methods and numerous other details depending on the system involved. Why should not all this come under one head, certainly it is all a part of obtaining the final result. There are emergencies arising every day which require prompt action and if the replacing of an individual clerk or the engaging of additional people has to go through another office, it often means delay and a day lost sometimes means failure perhaps to get bills out on time or some other equally important matter. Therefore, I contend that full control and responsibility should be centered where there is an equal interest in all branches with authority to act quickly when occasion demands. The question may be raised as to whether or not it is possible for one man to exercise such wide control in a larger business and my answer is, this is merely a matter of organization. The position of a credit man in any

large business even to handle credits alone or credits and collections, is largely supervision. He cannot take all the applications for credit, perhaps he may not take any, his work is management in building up the organization and directing it and it only means that in order to cover a wider range, he must have responsible assistants, responsible to him instead of to some other person who in the ordinary course of events cannot appreciate that complete relationship between the initial transaction in opening the account and the final analysis which means an account fully paid and balanced.

In all the varied relationships with the customer, in every detail of service in connection with the account, he or she makes a direct connection with the credit manager. If her coin is lost, she looks to him for protection; if there is a delay in authorizing or in delivery, again the credit man looms up; if the bill is incorrect or if there is delay in adjusting the bill, the credit manager is thought of as the one responsible; if the bill does not arrive promptly with other bills or if she receives a bill for something which had been returned, inefficiency is directly traceable to the credit manager, and the customer is right, he is the guardian of her welfare. If the account gets behind, he will get after it; if the record of the account looks bad and the customer is not to blame, the credit manager should know about it. If the customer is lost through inefficient methods or poor service, the credit manager should know about it and employ the best methods at his command to bring her back. If we accept the responsibility of credit manager, let us try to make ourselves capable of fulfilling all that the term implies.

I have no right to infringe on other topics to be discussed here, but I understood the President wishes me to cover this subject pretty thoroughly and therefore I must be specific on certain details. First, the office management should insist upon plain and legible writing on sales slips and the first name in full whenever possible. The name of the purchaser should be taken and when charged to one address and sent to another, the name and address where goods are sent should appear on the original or office part of the sales slip. On "take-with" charges, if the coin system is used the salesperson must see the coin and take the number from it. If sent to another address, identification is necessary. If the customer has no coin, obtain the signature on the sales slip. If there is a mark against the coin number on the department record, allow no discussion, have the customer escorted to the office and explanation made in the privacy of the credit office. A charge sale should never be charged to C. O. D. except by direction of the Credit Department and a stamp should be provided to indicate the authority for such charge. Sales on new accounts or slips held for any kind of investigation, should be disposed of the same day. Slips held in the office means packages held in the departments. Provide an anchor or hold system so as to keep the desks clear throughout the store. Supply your office with every available means for checking or verifying names. Train the salespeople, department managers and floor superintendent to send all applicants for new accounts to the office, making exception only to save annoyance to customer. Impress upon all concerned with making sales that a personal interview expedites delivery of goods and this in turn should be handed on to the customer.

LIMITING ACCOUNTS: Limits are only ratings to guide the authorizer and billing clerk and bookkeeper. Arrange your system so that on all large amounts the actual standing of the account will be checked up before passing. Check up your over limits daily and dispose of them either by raising the rating, writing the customer, suspending the account, or whatever action seems necessary. When an account is suspended for reason of being behind, arrange your office system so that when payment is made you may decide on the future of the account, correct your office record and notify the customer accordingly. Accounts should be analyzed periodically to determine their value

and with a proper system of service exchange the various reasons rendering accounts undesirable may be reported to other members of your organization and the records tabulated at the central bureau. A list of any adjustments pending at the end of each month should be handed to the different ledger clerks and bill held until adjustment is complete. This is especially important when dunning accounts and illustrates the vital importance of having bill adjustments directly under the control of the credit manager. Accounts closed for collections should be taken out of the active ledgers and placed in what may be termed a suspense ledger, thus avoiding duplication of work.

Whatever figures may be compiled by the statistical department, the credit manager should always be in close touch with the figures of his own department. Items of expense may be kept and prepared through other channels, but should always be available to the credit manager. Details as to the number of active accounts, number of bills sent out each month, inactive accounts, number of accounts to each division, number of accounts handled by each ledger or billing clerk as the case may be, number of slips to each division, average number of items to a slip, number of claims or percentage to monthly bills, analysis of claims to determine chief responsibility. Bonuses, merit or demerit systems is a matter of store policy and must be handled accordingly. Percentage of returns to gross sales should be tabulated and watched carefully and number of transactions for comparative purposes is essential under present conditions. Discounts if any are allowed, should always be under strict supervision. Daily, weekly and monthly sales with comparative collection figures an essential for the guidance of the credit manager together with comparative corresponding balances and percentages of increase or decrease. Figures of the same character should be prepared semi-annually and annually or divided according to the periods in which the store year is divided. Division of the different classes of accounts with corresponding figures is desirable as conditions may demand. Time payment or lease accounts or contract accounts may properly be separated from the regular monthly accounts. Comparison of profit and loss figures is often misleading unless classified according as the business may be conducted. The responsibility for handling and cashing checks properly comes under the credit manager. The credit office has all the facilities for verification and here competent authority is centered to pass on every detail of check handling and here is the opportunity for uniformity of method in handling this troublesome and important feature of modern business. Fraudulent purchasing is usually detected by the credit office and the credit manager is best qualified to direct how each specific case should be dealt with. In order to cover every detail of office control would require more time than this convention can afford to give to one topic.

Perhaps I have covered most of the essential points and if what I have said leads to discussion of other details, I am at the service of the Convention.

PRESIDENT BLACKSTONE: On the first day of this convention I had the honor to introduce to you a gentleman from California by the name of Lewis. Mr. Lewis is going to be before you again during the session this morning or tomorrow morning, but he is not going to come up before you just now. I have just learned that there is another Lewis in the audience. You notice I am getting this down to theatrical phrases. There is a special event in the life of this other Lewis. He belongs to a delegation that is notorious for its pleasing rough stuff. Every convention for the last two years they have come in with baseball bats and if they don't get what they want, they raise a rumpus. If they can't say what they wish to say before the Convention, they print it in the Oklahoma City Daily Snoozer. Can you beat it?

I am going to take up a couple of minutes' time, as we are running ahead of the schedule, and I am going to turn this Convention over for at least three minutes to Director McMullen

of Oklahoma, and his assistant, Mr. Shirk. Mr. Shirk has been mighty good in assisting me during this convention, as have also several other men whose names I will mention later, and Shirk has the floor at this minute.

MR. SHIRK: Mr. President, Ladies and Gentlemen: You know I am in the habit of having everybody look at me when I speak and when anyone starts anything, especially applause, it kind of illustrates me, because it is such an unusual thing.

There is not one here that knows what I am going to say, I don't myself. Perhaps if I did know I wouldn't be on my feet.

Last night we happened to have the manuscript for the Snoozer completed in sufficient time that we could go on the excursion up or down the river.

All of you have a Snoozer, I hope. If you will turn to the middle item on the third column, page 1, "The Oklahoma City delegation takes supreme pleasure and delight in introducing to you Mr. and Mrs. H. M. Lewis of Wichita, Kansas. Mr. Lewis for a long time has been the successful manager and operator of the credit bureau or retail credit association of that town and the now Mrs. Lewis was the very efficient and proficient bookkeeper of one of the larger retail concerns of that state, Al Rosenthal, Inc."

Now, Mrs. Lewis, I hope you will not take offense at anything we may say or do because we do not care to cause you any embarrassment, those words for your benefit, and remember that whom the gods wish to destroy, they first make mad.

We have a little song here dedicated to Mr. and Mrs. Lewis.

(Sing song, in which audience joins,
Mr. and Mrs. Lewis, will you please come forward?

Ladies and Gentlemen, Mr. and Mrs. Lewis are the bride and groom from Wichita, Kansas, who are spending their honeymoon by attending this Convention. (Applause.)

PRESIDENT BLACKSTONE: There was a trite message in the little event that has just taken place and I intend to give it to you direct. It is: if two people can devote a part of the most important event in their lives, their honeymoon, to attending a Retail Credit Men's National Convention, it is something that every one of the delegates here should take back home with them and use as a means of creating enthusiasm for attendance at future Conventions. (Applause.)

We are greatly honored this morning by having with us a man in whom every retail credit man and every wholesale credit man has the most profound admiration; not only for the work that he has been doing for many years on behalf of credit, but from the personal standpoint and from that of service to business; to the nation.

It would be impossible for me to properly present words to describe my feelings at this particular moment. This man, during the past year, has traveled nearly fifteen thousand miles in the performance of his duties as Secretary and Treasurer of the National Association of Credit Men, the association which we retail credit men in our ordinary conversation designate as the wholesale association, although many of us are members of it.

Without further words which from me would mean nothing to him, I present to you Mr. J. H. Tregoe, the peerless leader of the credit world. (Hearty applause from audience standing.)

MR. TREGOE: Mr. President, Ladies and Gentlemen of the Convention: You know when a real plain working man is introduced in such an exuberant fashion as your President has indulged in, no matter how much experience he has had in appearing before audiences, no matter how many men he has met, there comes just a little shaking of the knees and I am always reminded under such conditions of another bridegroom or about to be, as he was before the altar and at a most crucial moment began to run his hands through his pockets and the best man leaned over his shoulder and said, "Tom, have you lost the ring?"

"No, Jack, I've lost my enthusiasm." (Laughter.) I notice that the bridegroom is smiling and he hasn't yet lost his sense of humor, but look out! (Laughter.)

It's a real pleasure to be here this morning and yet in the humidity of New York's heat yesterday I had to append to every letter I wrote that I wasn't looking upon the trip with any complacency and all the pep had been taken out of my enthusiasm. But I am delighted I came because I can see such obvious evidences of growth.

Two years ago I was favored with an invitation and accepted it and yet the audience this morning is so much larger than the one I faced then, your older brother has a real affection for you; he will take a real pleasure in your growth from year to year; he will be proud of you in the fullest way when your maturity is reached and hand in hand we will go down time together, building power, influence and ideals for the credit world of this nation. (Applause.)

I was forced to smile at this peerless orator from Oklahoma City. You notice when he came to the part where the name was to be announced he had to look at it on the Snoozer (I think that's a wonderful name!) It reminds me of sleep, and yet I didn't know they did that thing in Oklahoma City! I smiled when I saw him, because it brought back so vividly a little incident that happened in one of the rural districts of the Far West when a perfectly new orator was put in the political stump, and fearful that he might forget something, at just the logical and psychological moment, he made a memorandum and he pinned it on the inside of his coat.

And then he started, and said, "My friends, I want to tell you about von of our great men, von of the greatest men the nation ever had. Oh, he vas the first man in the nation. He vas our first President, a wonderful man, and his name vas (looking at memo inside coat) George Washington!"

"And now, my friends, I want to tell you about another great man we had. Oh, he was a great President, too! He liberated the slaves. A wonderful man! We are all proud of him, and his name vas (looking at memo inside coat) Abraham Lincoln!"

"And now I want to tell you," and just then the pin came out and the memorandum dropped to the floor. He didn't see it but went on, "now I want to tell you about three generals of this country. Oh, they were great generals! How they could fight and how they fought and we were so proud of these three men. They made great names for themselves and elevated the powers of America, and their names were (looking inside of coat) Hart, Schaffner and Marx." (Great laughter.)

I was favored with a visit from your President not long ago. We were discussing at that time our own convention that had recently been enacted in Atlantic City and he was then forecasting this Convention and he said, "We're going to talk business at our Convention; we're not going to have any high-brow orators," if I quote him right, "we are going to talk retail credit men's business."

Well, that was a shock, because I thought when I could just break the bonds and get out from amongst our clan that I could spread the wings and just soar for a little while, and then I wanted to reprove the President just a little and I am going to tell him from this platform that build the best and fleetest yacht we might, yet it is valueless without the wind (laughter), build the best enterprise we might, yet it stands merely as a magnificent thing without business, build the most skillful credit manager we might, yet he stands perfectly idle without the order.

Therefore, it is our bounden duty as credit men and women not only to be concerned with skillful credit management but with the making of good business.

Now, friends, we are living in the most serious days of our history and I wonder at times if we are mindful of it, that our eyes have looked upon some of the greatest events that were enacted since the Man of Nazareth trod

this earth, that we have seen a cycle of occurrences that have transformed mankind, almost, and now we are in the period of reaction and most of us are not able to read the signs of the times.

I have reached the conclusion (I have stated it publicly) that a business is not the genius of America. Pioneering is our genius. It is pioneering that has broken down the frontiers of this nation and in two generations they have disappeared and now as we pass from the Atlantic to the Pacific, as we go through the gardens of the Mississippi Valley over the heights of the Great Divide and down into the orange groves of California, nothing but homes, hamlets and cities—the pioneering spirit of America has broken down the frontiers.

In engineering we lead the world. My friends, if that armistice had not been signed at just that time, the engineering skill of this nation was producing weapons of offense that would have made German villages—well, as compared with their work in Belgium hardly to be told in the same breath. In engineering we lead the world, but in business somehow or other that pioneering skill has been developed into powers to produce and to distribute, but just as soon as a little cloud comes upon the horizon, just as soon as it is difficult to make loans and credit strictures happen, then they are like men in the midst of a dark forest without a compass, they don't know where to go and they are searching Babson's sheet and searching the newspapers in order to tell what the morrow should bring forth, and there isn't a credit manager in this country that ought not to know with almost an absolute certainty what is going to happen to-morrow from the events of today.

I don't know just what has brought this about. I think we have neglected badly commercial education in this country. We have thrown our youth into places for which they were not prepared and so many of them have been failures because of a lack of preparation. We, in this nation, in order to repair this, must devote our ideas and purposes to the education of our youth for business and you in the retail credit field must put some of your energy and some of your brains and brawn into the education of men for the retail field that will dignify it and be able to march abreast of the progress of America in the future.

You know, in this land (and very many of us don't, aren't mindful of it) we tried out the greatest experiment of all mankind. The instrument that came from the Constitutional Convention of 1787 in Philadelphia was the most novel and remarkable piece of handiwork of men that was ever produced beyond that which was inspired of the great God. That Constitution established a perfectly new order of things. It has worked out successfully on the western continent and I want to give you as one of my interpretations, as one of my remedies for present conditions, to stiffen your backbone, to make you realize that you are a part of this great progress, of this great experiment, that you with all your hearts must love that Constitution; to you, your God and Old Glory should be dearer than life itself. (Applause.)

I want to say to you from this platform, pardon the expression, but I'm darned tired of the things said in this land about that instrument and about our traditions and about our flag. It's gone far enough. Far enough for true Americanism! And if the people living within our borders, many of them mere guests and not natives, are not satisfied with what they have let them go back and if needs be we will send them back and pay their passage! (Applause and cheers.)

In the wanderings of His chosen people, God led them to Sinai and there he revealed Himself to them. We've got to go back to the birthplace of this nation to get an inpouring of real patriotism and when we get it we know we are Americans all over, we don't care about changes in administration, we care for nothing but the integrity and good name of America, and we will see that that good name is preserved in the face of the nations of the world! (Applause.)

You know, there is so much ignorance, pure, crass ignorance if I am able to determine of my own little skill what ignorance is, and it appears so forcibly in these days, I am half mad. Some of the greatest blunders of this period have been made by our Department of Justice in prosecuting what they have deigned to call profiteers. I claim that the Department of Justice has not yet ascertained what is a fair profit in business. To take individual sales and determine from that whether or not an illegal or exorbitant profit has been made is not the correct interpretation of a business enterprise. I know of men who wouldn't take a dishonest dollar for all the money in the world now under indictment and feeling the pain of it to their very soul.

This must stop! Our Government if it wants to regulate must regulate righteously, intelligently and fairly and fling that defiance in the face of the so-called flying squadrons going through this earth seeking whom they might devour. (Applause.)

Men and women, what does this tell us? It tells us this (history verifies it): That business has perhaps not been the genius of this nation because it has never been accorded its proper place in national affairs. Business has been hounded and yet business is the real backbone of the nation's prosperity, whether it has derived that upon which it thrives and lives but for business, and yet business is eternally ground between the upper and nether millstones of labor and agriculture—time that it should stop, and it will only stop when business men take this thing into their own hands and legislate for the defense of the cardinal and proper principles and interests of business.

Oh, would I were a prophet, would that I could open my eyes and see this vision of hordes, as it were, of business men sacrificing, giving up for the time, their business, journeying from the forty-eight States to the Capitol City of Washington there to displace the ignoramus and the inefficient men legislating the affairs of this nation! (Very hearty applause.)

Men and women, I read in the Detroit Free Press this morning some comments. They seem to me very lugubrious, they seem to me very pessimistic. May I ask you to dismiss such impressions from your system? The world is sick and we are sick with it. Why shouldn't we be? Haven't we passed through one of the greatest periods of riotous extravagance men have ever looked upon?

You have read and you have seen, perhaps, prior to the present days and when men spent a night in frivolity and gaiety the next morning they were crying blatantly for ice water. (Laughter.) You can't do such things without paying the penalty. We have rioting, we have over-eaten and now we are sick and the whole world is sick with us. But I want to tell you now, it's a sickness of recuperation. This nation is passing through a recuperative period and if you men and women but hold your heads and act like good Americans and don't become panicky, we are coming through it successfully and I prophesy here and stake my reputation against it that two years from now prosperity will shine upon this nation, in which all of you will be sharing. (Applause.)

We can't do it by having you remain at the desks and not giving something of your mental powers to the outside. Oh, we are such funny people, Mr. President! I use in so many of my paragraphs the word "temperament." The American business men are temperamental! Prove it? Last year crazy for merchandise; this year crazy to send it back! (Laughter.) Why, a merchant in Boston said he was doing the same business that he did last year. His friend looked at him and thought he was playing the part of Anna-nas. He said, "Yes; I was shipping them out last year and this year I'm getting them in."

You know, the temperament of the American is his distinguishing mark but it plays him a pretty hard task at times. That was the reason, our temperament, why our Allies didn't understand us. I used to tell people I was so glad they did not. I think it's a compliment not to be understood by everybody. Our man abroad

did just a little differently from the other men, they were American.

Fancy a Britisher or a Frenchman giving this reply as a doughboy sat upon the edge of the road picking the cooties out of an undergarment and the lieutenant passed by and said, "Well, Buddy, picking 'em out?"

"No, chief, takin' 'em just as they come." (Laughter.)

Then a little lad who hadn't seen very much of city life was given a furlough and went to Paris. He got there on a national holiday. He saw sights that he never saw before and never expected to see. He saw these chic looking French girls running up to men and kissing them on both cheeks and after he had been kissed about three or four times he thought he would move in and pick out his own girl, (laughter) and every time he pressed one of these little French girls on both cheeks the steam commenced to rise and when he had got to about twenty he just couldn't contain himself any longer, he was just at the bursting point and he went over into a little park near by where there was a little patch of ground and taking off his trench hat he threw it in the air and said, "Sherman was a liar!" (Laughter.)

Men and women, this is the temperament we are contending with today. Just how to take it as plastic material and mould it into all the dignified and divine, god-like fashion is one of our problems, and yet the possibilities are there. Oh, America! America! The greatest land under the sun, the greatest country God ever made, I am delighted, oh, I shout with glory that my eyes opened on the soil of America!

Now, coming down to some of our little problems, you know we men in the credit department feel effects, we feel conditions and so often we don't know just what created them. Let me tell you that we have an incubus at present that you men must help us to raise, an incubus on business. The effect of it is going down so deep now that we have become very fearful and we are crying that by a united power it shall be lifted. The incubus is the excess profits tax. (Applause.) Unequal, illogical, almost un-American, given to us as a war measure, remaining with us to the present, putting a penalty on brain, encouraging extravagance, causing a hesitation in business because investors will not place their funds where the gripping hand of that law can reach.

We must repeat it, and that shall be our call to the Sixty-sixth Congress that plays politics and politics up to the present time, and we shall tell them that they must stop playing politics, they must get down to business, they must help us and the first help they can give is by substituting a just law producing what America needs for the abominable excess profits tax. (Applause.)

Men and women of credit, I have only touched the fringe of this. We must see to it that good business is made, that good business must be preserved else our problems become very complex and sometimes they become insoluble. That is our duty.

One thing I want to say to you and to emphasize in addition to the other. I am tired, too, of something else. I am tired of some men saying that other men can't do the work which they choose to do unless they belong to some organization. That is un-American and we will never get ourselves right in this nation, we will never get business right, we will never have the right view, we will never progress so long as that policy exists. The man who wants a fair wage—and he must have it, we can't have prosperity unless men receive fair wages, but for that fair wage they must give proper compensation and the open shop is American. (Thunderous applause.)

You ask me, Mr. President, what this has to do with credit? It has everything to do with credit. That insensible, intangible thing with which you are dealing is affected by every social, every political disorder that happens. You feel it, but you don't know what's happened. It's a little rift in the industrial sphere, it's a little current in the political sphere that is reacting on your abilities to sell and to convince

people that you have the merchandise they need and which they ought to buy.

Oh, now, may I ask you to spruce up, may I ask you to feel a tonic of this real Americanism I have endeavored to preach to you this morning! Oh, I just love the credit profession. Thirty years in it this year! Three decades and yet I don't fancy that I'm very old. I think I must have begun it very young. (Laughter.) I think its possibilities are enormous because upon the credit man rests not alone the making of good business but the making of good men. I know of no profession where the idler, where the schemer, where the dastardly fellow has less part or could have a part than in the credit profession. Honesty, character in your work even to a greater extent than you expect character in your credit risks, ideals, morals of the highest sort we must preach to those round about us.

Oh, we've got people in our shops and we see the shop girl taking her money and spending it like a drunken sailor, buying things on the installment plan, acting a perfect fool because she has that little sum. Oh, take and tell her this: "My dear little lady, this nation is in a peculiar situation. Its rich men can no longer supply the capital needed for the nation." That is what we are suffering from today. We are trying to make credit do the work of capital. It can't be done!

Credit has its sphere; capital wasted during the war has not been replaced because the nation hasn't saved; the rich can't supply it. It's the wage earner that must build up the capital of this nation. Sixty-five per cent of the income of this nation goes into the pockets of the laboring man and these people are the ones who must exercise thrift, who must save and have the capital needed for the expansion of our industries and for the things the nation needs.

Tell her that, and plead with all about you to save, to save, to save!! Does it mean that you are going to sell less? No. Possibly for the present, but it means in future you are going to sell more because you never lose by following a righteous principle. (Applause.)

Men and women, have I been able to just, as it were, pucker up your backbone this morning? That's what I want. I want you to feel as you go out that you can walk erect and keep your head to the sky and say, "I am a unit of a great nation and the great things we are expected to do." Oh, live right, do right, do it consistently—inject the highest principles and ideals into everything you do. Don't be afraid wherever you are and whatever you do to have men know that you are living according to righteous rules. It makes a better man of you and it will make a better man of them or of him. That's the way to live.

I have gone on this way without notes; I just had these things in my mind to tell you, as it were to grip you by the hand in common brotherhood to appeal for your best and for your highest and, that we shall work together to attain for this nation its proper place, its complete health and prosperity to all of us, even to the simplest unit.

Let that be our slogan, let that be our watchword. I want to thank you for your kindness to me in letting me come. I'm awfully hot now, but I'm glad I came. (Laughter.) I want to thank you and may the great God Himself speed your work and speed your convention; may you have just the happiest kind of a time, and remember, remember through it all, your devotion to the highest principles.

We are not here to play, to dream, to drift; We have hard work to do and loads to lift; Be strong. Shun not the struggle, face it; 'tis God's gift. Be Strong.

It matters not how deep entrenched the bomb, How hard the battle goes, how long; Fight on! Faint not! Tomorrow comes the song! Be strong.

I thank you. (Applause and cheers from the audience standing continued for two or three minutes.)

PRESIDENT BLACKSTONE: I want to say that the Democratic, Republican and Prohibition conventions have nothing on this when it comes to the right kind of a salutation to a real man. (Applause.)

In his remarks Mr. Tregoe made a statement that I believe I should explain to our delegates. That is, that if I inadvertently at any time in my conversation with Mr. Tregoe used the word "high brow" in such a manner that he should apply it to himself, I most sincerely apologize to Mr. Tregoe. (Laughter.) For the simple reason that in my estimate of him, I have looked upon him as I have noted here, not as a high-brow, but as the most practical, fore-thinking exponent of credit in the world today. (Applause.)

MR. TREGOE: You know, Mr. President, when a man becomes President he is liable to say most anything. (Laughter.)

PRESIDENT BLACKSTONE: Well, you have listened to me say things now for three days and I will leave it the Convention that I have ever said a thing before it but what I honestly believed and they concurred in. All in favor raise their right hand. (All hands up.)

MR. TREGOE: That's the biggest snap judgment I ever saw taken. (Laughter.)

MR. COONEY (St. Louis): Mr. Tregoe has shown us that he is an American through and through. Let us show him that we are patriots to a man by singing "The Star-Spangled Banner."

Sing "Star-Spangled Banner."

PRESIDENT BLACKSTONE: I want to say that that is the best singing of "The Star-Spangled Banner" that I ever heard in any audience. (Applause.)

There were several questions of the open forum left over from yesterday and one of them was a paper by Mr. Zaduk and the other was a paper by Mr. Lewis of Los Angeles. I see Mr. Lewis is present. I am going to ask him to read his paper at this particular minute. (Applause.)

Mr. Lewis has read both papers and he suggests that we read Mr. Zaduk's paper first as his is supplemental thereto. Consequently, Mr. Lewis will read Mr. Zaduk's paper now, for which I thank him.

RESPONSIBILITY OF HUSBAND IN GRANTING OF RETAIL CREDIT.

A. L. Zaduk, Henri Bendel, Inc., New York, N. Y.

The general impression seems to prevail that a husband is in all cases responsible for merchandise purchased by his wife unless a notice has been given by him stopping the extension of credit, but this is not the law. A husband is not in all events liable for purchases made by the wife and on the other hand, the mere giving of a notice will not release the husband from liability, if such liability otherwise exists.

The law with regard to that matter is that the husband is ordinarily liable for the reasonable necessities purchased by the wife for the use of the family, unless the husband has either provided the family with sufficient articles of the nature and kind purchased to reasonably supply their wants or has given the wife sufficient money to pay for what they need according to their social standing and the husband's income. Of course, while the general rules of law can in a sense be briefly stated the actual application of them to any particular case, is very difficult and fraught with many dangers.

It is as a rule almost impossible for the Credit Man to determine whether the purchase about to be charged is reasonably necessary for the use of the family. The Credit Man usually has no part in preparing an inventory of the wife's wardrobe and can hardly be expected to ask the prospective purchaser just how many gowns or other articles she may possess. Also it is difficult for the credit man to ask the wife just how much spending money her husband allows her, or what the exact amount of her husband's income may be. The result very often is that a purchase is made and the husband may be

thereafter sued for the purchase. He will defend on the ground that he had furnished his wife with sufficient money to buy herself clothes, or that she had sufficient clothes already for her reasonable wants and the innocent creditor, who has no means of ascertaining such facts before the trial is battered between the conflicting interests of the husband and wife, so that he may be unable to recover in an action against the husband.

The creditor then decides that inasmuch as he may have been unsuccessful in the action against the husband, perhaps he would be able to recover in an action against the wife, insofar as the wife has apparently exceeded her reasonable authority to charge purchases to the husband. The creditor then starts an action against the wife and in that action the wife on the same set of facts may be able to persuade the Court and jury that she was not unreasonable in her purchases and that such purchases should rightfully have been charged to her husband.

The verdict in the case against the husband is not a precedent in the action against the wife, so that the creditor who has parted with his merchandise may be in the position of being unable to recover either against the husband or the wife. You may think possibly that this is an exaggerated instance, but it positively has happened before, and will undoubtedly happen again.

The only way that this condition of affairs may be remedied is by leaving the husband and wife to fight out their own battles, if they desire, between themselves, but that the creditor shall be given a remedy against both the husband and wife jointly and severally to recover for any purchases which may fall into the class of reasonable necessities, not actual necessities, but reasonable necessities, so that in the absence of positive fraud on the part of the merchant, he should be granted a recovery for the amount of his claim against both the husband and wife and then the husband and wife may, if they desire, litigate between themselves the question as to which one should be ultimately required to pay this money.

Statutes of this character are in effect in New Jersey and Illinois, and perhaps in other States. They are reasonable and sensible and should be adopted in every State in our Union.

I also want to say a few words with respect to the status of claims against the wife where such wife has been supported by her husband, either by separation agreement or by decree of the Court and either the agreement or the Court's decree provides for the payment of alimony. If the husband and wife are separated, then there is no presumption of the wife's authority to buy necessities and the merchant must prove both that the articles are necessary and that they are actually necessary for her because she is not supplied with them, and that she has not been supplied with money by her husband with which to purchase and in addition the merchant must prove that the husband is at fault and accordingly the wife is justified in being separated from her husband. The law of some States and here I will mention New York, as that is the State from which I come, seems to be that alimony, no matter how liberal in amount cannot be reached in garnishee proceedings under a judgment regularly obtained against the wife, upon the grounds as stated by the courts that the alimony is intended to keep the wife from becoming a public charge and if the judgment creditors were permitted to reach that fund in any substantial amount, that therefore the wife would be deprived of the allowance which the Court gave her.

Now, it very often happens that credit is extended to divorcees in a very large extent upon the faith and credit of the alimony which is awarded to them. Certainly in cases like these a creditor should be permitted to realize upon at least a portion of the alimony in satisfaction of the judgment which he has obtained.

The section of the law relating to garnishees should be amended so as to clearly apply to incomes from all sources and no matter how received.

MR. LEWIS: Supplemental to the paper of Mr. Zaduk, I have here the excerpt of an opinion given by the attorney for the Retail Merchant's Credit Association of Los Angeles, Mr. Brett. He has gone into the subject very fully but he has only given the excerpt in this particular paper and I will be glad to read it to you now.

THE HUSBAND'S RESPONSIBILITY FOR PURCHASES MADE BY HIS WIFE.

By J. W. Lewis, President, Associated Retail Credit Men of Los Angeles, Cal.

A constantly increasing number of credit men are becoming interested in learning the best way to open an account for a married woman.

The reasons for this growing interest are not difficult to learn. The housewife is, in the aggregate, the mainstay of modern department store and specialty shop business; modern business cares are such that few husbands have the time or inclination to "shop" and a new "chivalry" makes the intrusting of the family purse-strings to the wife an accepted and frequent practice.

Concurrent with such evolution the great period of universal unrest permeates not only our business life, but also that heretofore sacred precinct, the home. Men and women are no longer cowed by the horror of publicity of domestic estrangement; no longer regard family loyalty more than personal convenience or vanity, and divorce growing by leaps and bounds, first equals and then outdistances marriage—and the credit man, once secure, is forthwith thrown upon a rocky and uncharted passage-way when much depends upon his craft (the species of account) and weakness may mean disaster.

Each transaction will, of course, have its own peculiar attributes, but in most jurisdictions, if you sell household furnishings, wearing apparel or merchandise of like character for personal adornment or consumption or for use in the house to a married woman, the court will presume in the absence of special contract with the wife, that you were selling to the husband.

But, to sell to the husband and bind him legally for payment according to the contract you must deal with him or his properly authorized agent, and, to the general belief a wife merely because she is a wife, does not automatically become so empowered and cannot necessarily act for her husband.

A husband may become liable for purchases made by his wife in three ways:

1. By his express consent, which may be either prior to or subsequent to the making of the purchases.

2. By his failure to dispute her right to purchase on his credit after notice of such action by her is brought to his attention.

3. By the law of necessity, i. e., when the husband has failed or refused to provide his wife, who is living with him (or separate from him because of his wrong) with the common necessities of life a third party may provide for her and recover from her husband their reasonable value—not their agreed or on book value, all of which the third party must prove.

Strange to say while the second form of liability is the more simple and most common of all, a great majority of credit men believe implicitly in and rely almost entirely on the latter—the law of necessity.

If you will but consider, you will readily see the gross error thus committed. In urging the law of necessity you are invoking a harsh rule of law that binds the husband against his will, as you are presumed to have sold the merchandise against his wishes. Again you have the full burden of proof of facts which if not entirely are for the most part solely within his knowledge, and without his or his wife's testimony for she cannot testify a continuing relation, you must prove his liability as to each transaction, the whole burden of proof lying with you.

Now let us consider what happens if you notify the husband (the party whom you really seek to hold liable) and he approves or fails to object.

1. You have established a relation of agency, a continuing relation upon which you can rely until he notifies you of its termination or variation:

2. You do not have to show authority for each separate transaction.

3. You can collect the agreed value of each article.

4. After establishing the initial approval the burden shifts and he (not you) must prove the extent of his liability and its termination.

Agency of a wife for her husband, while in some respects more liberal is not, as to its chief essentials greatly different from the ordinary agency of one man for another and should be quite as carefully confirmed, and the only safe, sure way is to

Always notify the husband.

PRESIDENT BLACKSTONE: One of the questions that was inadvertently omitted from the quiz (I use the word "inadvertently" non-advisedly) is a very important one of "How Should Retail Credit Be Granted?" As Detroit has not been talking very much this morning, but will later have the floor, this particular discussion will be led by Mr. Joseph W. Kane of Detroit. (Applause.)

NOTE. The talk by Mr. J. W. Kane of Detroit is not to be taken seriously. He was placed on the program for the purpose of enlivening a long morning session.

MR. KANE: Coming down the aisle there I felt very much like the bridegroom, I started to get shaking of the knees myself. Mr. Tregoe's reference to it reminded me of a story that I heard, if you will pardon my diversion for a second. A darky porter on a Pullman car pulling out of Chicago was approached by a bridegroom whom he had helped on with this baggage. He said, "Now, George, I've got two dollars here for you. I don't want anybody else on this car to know that we were just married."

"All right, boss, jes' leave it to me."

So the following morning when the mister went in to the diner followed by the missus, there was a great craning of necks and the missus started to blush and the mister apparently saw what was taking place. She said, "George, everybody is staring at us. I thought you fixed that porter so nobody would know we were just married."

He said, "Well, I'll get him."

So he got the porter over in a corner and said, "Say, when we got on here there wasn't anybody but you knew we were married. Now I can tell by the expression on everybody's face that they all know it. You're the man to blame, now."

The porter said, "No, boss, you can't blame me 'cause that ge'man over there with that shepherd's plaid suit on come up and said to me 'Bride and groom over there?' I says, 'No, suh! No, suh!' Those people are not married a-tall!" (Laughter.)

I heard Mr. Bryan's name called this morning and I didn't hear him answer. I am surprised and I am very much disappointed because I looked forward with great pleasure to meeting Mr. Bryan. I remember when I was in Washington some years ago (Washington, D. C.), if you recall very ably represented by Mr. Talks who talked about it because I heard him mention it eighteen times here Tuesday afternoon, in Washington, D. C. I had the pleasure of hearing somebody refer to Mr. Bryan and in this way—that Lydia Pinkham and Mr. Bryan were two of the greatest old women he had ever heard of in his life. So I was looking forward to meeting Mr. Bryan. I couldn't understand why he was an old woman until Tuesday night at the smoker. (Laughter from the men.)

When I saw Mr. Bryan get away back in the corner and sit there on that chair and everybody was having such a good time and he wouldn't even crack a smile, I knew he was an old woman. (Laughter.)

I came here to learn all I could about credit, not to tell about it. I have listened here at various times, I have heard a lot of fellows shouting and hollering just like this morning the Oklahoma aggregation got up and their spokesman had to tell you they were going to sing. He had a purpose in that, because if he hadn't told you they were singing you'd never have known what they were trying to do.

So, as I say some people get up here and talk about credit and holler, instead of talking of credit they ought to be peddling fish from the way they holler. Now I don't intend to offend anybody, but I have made notes back there in the rear and I will just give you my candid opinion. No offense meant, but as safety first I want you to know what I am trying to do.

Some people get up and say they wouldn't give credit unless it was gilt-edged, gold-lined, gold-faced, double-guarantee, whatever that is. I don't understand that kind of giving credit, but this thing of giving credit to every third one may be all right. There was a certain gentleman who had a remark attributed to him that he would rather grant credit on a pair of silk stockings than on a poor rating. Personally, I am in the jewelry business, I can't grant credit on silk stockings because I don't get a chance to see them. (Laughter.) There is a counter between me and the lady and I've got to grant it on something of more material nature than that. (Laughter.) I usually take their face, for instance; sometimes it's enough, it's a plenty.

But do it on something of a material nature, something for instance like a smile, a smile like the beautiful girls from Detroit have. All you other small towns can take notice that we've got some good looking girls here—and the smile! Just give 'em credit for it. They smile at everybody they see. They think every stranger is an increase in the population.

Then there's another thing we get back to—character, capacity and capital. Personally, I have never had such experience with capital as to capacity, I imagine that Heller from St. Louis has got some capacity (laughter) and character is another thing touched on in a different way. Character can be good or it can be bad. A lot of people think they've got a good character and they haven't got anything else but a swelled head.

But, getting back to seriousness, when I give credit, I don't like to give it on a smile on account of it being a fading subject, but I like to give it on the ratio of every third one. Now, as I have touched on girls before and their beautiful faces, some of 'em just as pretty as a picture, most of 'em hand painted (laughter), a lot of 'em ought to be framed, boxed up and the rest of 'em ought to be hung, where your troubles comes up after giving credit on pretty faces is that collections are hard to make when that paint wears off. (Laughter.)

Talking of collections gets me back to the sales managers. Ah, there's a bunch, a lucky bunch! A sales manager, the man that has a swell office and fine stenographer and a big salary and a yearly bonus, boy! All he ever does is collect his own salary and bonus. He's the man that can take a bunch of dead loss accounts and make 'em look like increased sales in a sales department.

Sales managers as a rule have a different line of thinking than we have. Our sales manager has a son. He sent him to college at the University of Pittsburgh, put him in the retail credit class, and the boy failed! Seventeen years of age and he failed! The father was so heartbroken, our sales manager, that nobody could placate him for the next six months until he ran into Jones and he related his troubles to Jones and Jones said, "What? Let me get that straight. You mean to say that boy went into college and he failed at 17 years of age?"

"That's just what he did—17 years old and failed."

"Why, mister, don't get downhearted! Any boy what can fall at such an early age will be the most successful business man in the world!" (Laughter.)

Personally, I didn't fall until I was 31. Then I got heart failure and got married. It must

be particularly embarrassing to a man to have everybody rubbing it in, but he will get so used to it inside of the next year or so that it won't make any difference to him.

I celebrated my 29th anniversary, my 29th wedding anniversary last June, and I've only been married six years. Now, you can figure it out. (Laughter.)

But there's one thing that I think Mr. Lewis has sadly handicapped himself in and that is, I earnestly believe that one of the profound reasons or things that a credit man should give thought to is understanding women. Most of his business is done with the fairy sex, he ought to understand a woman. You never understand 'em before you marry 'em and you never get a chance afterwards. (Laughter.)

I went into one of the stores in the city here the other day to find out how they grant credit and I heard more sky-blue volubility of superheated verbiage in three minutes than you ever dreamed of—and I've had some dreams! I had one out at lunch yesterday afternoon—and a batte with my wife last night.

I was sitting in the rear of the hall there when Mr. Tregoe got up and made that remarkable address. Gentlemen, to divert from the comedy that I am trying to give out at the present time, I want to pay my respects to the convention of Retail Credit Men and their officers that I had the opportunity to listen to such an address. (Applause.) But the humorous part of Tregoe's address was the fact that he had us all ready to fight and then I looked down on the program and I was next, so I thought I was in for a frame-up, the kind of a frame-up that our worthy Vice-President had yesterday when the worthy President went out and took a walk around the block. (Laughter.)

The Vice-President got up here and wanted to hear from one of that delegation of forty from St. Louis and there wasn't a sound. Then he called for a Knapp. I got kind of mixed up on that. I always associated naps with Philadelphia, but he got him from some other section of the country, and he finally had to turn over the convention to be amused by a Koch from St. Paul. Now, what's a cook doing with a bunch of credit men?

It isn't any more incongruous than to draw the parallel between Bryan getting up here and addressing credit men and claiming he's an honest-to-goodness credit man when I'll swear that everybody in the country thought he was a general sales manager for Welch's Grape Juice. (Laughter.)

It might interest you a little bit to know this, that a credit man should know a whole lot more about things that he doesn't stop to think about than he usually does. For instance, he should know more about women, men, trades, professions, towns, cities, countries, prohibition, Windsor, Walkerville, the ferry and how to get over there and so on and so forth—more information than you can crowd into one brain in a lifetime; then when he gets that information and starts to apply it in his business, let him remember this piece of advice of mine that usually with that tremendous ability, to apply it the first hundred years will be the hardest.

I thought maybe you might be interested in how I became a credit man. My father wanted me to be a doctor and he explained to me that a doctor is the only person that ever gets paid for their work whether it's satisfactory or not and he thought it was a good business. (Laughter.) My mother was afraid my work would be the worst, so she made a credit man of me. She sent me over to see Schick. Schick started to ask me a bunch of questions. He asked me if I was married and I said no. He asked me my idea of a wife and I started to tell him and he got sore before I got half way through telling him what I had an idea of a wife.

Most credit men, I find, are too modest. Modesty is a virtue, but credit men are entirely too modest. Some of them will find that if they take a lesson from other towns it would be a great thing to apply in their business. For instance, there's a difference every place. There's a difference in Chicago. You let a man move, a skip, that you've given credit to—I

presume you all follow me because you know or ought to know what credit is; for the benefit of those who don't know I will try to enlighten you by a conversation between two darkies.

One said "Nigger, wa's this thing them fellows all up there on the second floor doing, talkin' about this credick?"

"Why, don't you all know what credick is?"

"They's all up there wearin' badges and talkin' credick, credick, credick. Ain't there no chance to get any money out o' them guys? Are they all goin' to go out of here and give us L. O. U.'s?" (Laughter.)

"Why, nigger, I'm surprised at your ignoramus. Credick is when you live in Newark, N. J., move out to Oklahoma City, go into the store, tell a man a lot of dam' lies and your wife goes up and gets a whole lot of goods and you move back to New Jersey. That's credick." (Laughter.)

But different towns are satisfied in different ways. In Boston give 'em beans and they're satisfied, always satisfied. In Detroit, if a man moves to Chicago we've got a feeling here that Chicago is a hard town, a hard town to collect in because if a man moves from here to Chicago it's goodnight bill, but the Chicago stores don't seem to have any trouble getting their money, getting it in. If a man owes a bill in a Chicago store, they just crowd around him, sandwich him and take it away from him, mail him a receipt and it's all closed up. Then you take for instance, Philadelphia. Wonderful city! The place where you have to sleep and snore while they think it over. Philadelphia, the place that tried so hard so many years to organize a local organization, even went so far as to invite the ladies to get the organization going, told the ladies to bring along something so that they could contribute it, something that they didn't have any use for but still didn't want to throw away, so forty of them brought their husbands. (Laughter.) We've got the good word in the Convention here that Philadelphia has at last woke up, got on her feet and they've got twenty-three members. Let's pray they don't go to sleep kicking over the hoodoo.

Now, we'll go to Alabama. There's a delightful place for those that are born there. (Laughter.) A wonderful place to be raised in. I was almost raised there myself but the rope broke and I got away and I'll never go back.

And Washington, D. C., the place that our worthy friend Talks about eighteen times an afternoon. Washington, D. C., that wonderful domicile that now contains the wonderful assortment of pieces of the Democratic administration. Washington, D. C., is a great place. I don't like to touch politics, but I want to get down to the fact that from Washington we come to the Convention and at the Convention is a place we ought to learn. If we came here in the proper spirit and imbibe freely of the words of wisdom that are poured out by the many, many people from the various states giving their experience, if we separate the wheat from the chaff, we can't help going back and feeling that the Convention was a wonderful thing. The Convention—where we meet so many charming ladies, so many courteous gentlemen, so many gentlemen that sit back in chairs and listen and learn and say nothing. I don't mean that everybody who has something to say doesn't learn anything. (Laughter.)

Here is one thought I want to send back with you. Give credit to everybody; don't be afraid of hurting their feelings. If you refuse them credit and hurt their feelings, just think — there wouldn't be any loss accounts, there wouldn't be any profit and loss accounts and you'd have nothing to worry about, no Convention to come to and talk it over. Let that sink.

I want to say this, that some people pass remarks casually, probably don't mean anything, but I overheard a remark of one man who said, "You never get a thing out of this Convention except what you put into it." I raised that trick and I stood pat and I won, but I didn't get as much as I put into it. Every delegate ought to be a winner, every man ought to go back to his desk, put the pep in pepper, put the i in it and put the it in credit.

In a Convention of this type, the character is above reproach. Make capital out of it, go back and make yourself feel and think and show that you did get something out of it. Then next year when we go down to Houston (applause) let's all take bells along, not sleighbells, because they tell me that they have to sweep the sunshine off the water there before they can go in bathing (laughter), so all take a hint, take your old clothes, the same as me; I'll take my old hat—I don't believe I'll have a swelled head when the convention is over, so I'll keep on wearing the same old hat. I can't get another one anyhow. Ah! Won't give me credit for it. Somebody told me he's too circumspect, whatever that means.

We'll go down there and I want you to do this, as a little thought of mine. Let me be your humble servant and advise you. Be 100% American like Tregoe wants us to be. (Applause.) Don't be afraid to refuse credit, but give credit where credit is due. Take me. I thank you for everything you have given me credit for, and not another cent. (Applause.)

PRESIDENT BLACKSTONE: Mr. McMullen has a question that he would like to propound to the convention.

MR. McMULLEN: I have been requested to ask this question for a few moments' discussion which is preferred by credit men, antecedent information or ledger experience? I would like to ask the chair to restrict the discussion of that question to credit men only, excluding the secretaries and bureau managers.

PRESIDENT BLACKSTONE: I will permit Mr. McMullen to conduct the quiz on this particular question in his own way.

MR. HOOPER (Birmingham): I think a real credit man would want both. You can't do without one or the other. You have to look to your own experience rather than someone else's. I think the antecedent information as to who they were, family connection and their former occupation and employment, etc., nearly always parallels the ledger experience of somebody else, therefore, it could be based quite a good deal on a man's character, family, etc.

MR. TAYLOR (Omaha): I think in a case of this kind that the ledger information is very desirable to the antecedent. I have an instance in our own city where we have a family of five. One out of the five is good; the others can't get credit at our place.

MR. MILLER (Fort Worth): I agree with Mr. Hooper. I think both are necessary, because, for instance, someone may come to your city who may have been there six months or a year and they may have had some few accounts around town which they paid promptly, but the fact that they paid those accounts promptly doesn't go to say that they are good for the line they ask. I think, therefore, that the antecedent information is very necessary. You should know where they came from and how they took care of their obligations there and any other information, of course, which is proper to have and which can be secured.

MR. JACKSON (St. Louis): In the absence of one or the other, should we have to choose the best one, I should prefer ledger information. However, I think it is very essential that we have both. In fact, I make it a point to get all of the information that I can possibly get. I sometimes authorize charges without having sufficient, but I continue to hunt up information.

But I should prefer ledger information to the other in the event that I couldn't have both.

MR. LAWRENCE (Memphis): Mr. Chairman, it seems to me entirely a question of how far back your ledger experience goes. If you can get ledger experience dating back two or three or four years, the antecedent information is not so necessary, but if you have ledger experience for only six months back, I wouldn't give credit unless I could get antecedent information.

MR. MILLETT (Indianapolis): I don't agree with Mr. Lawrence on that question, because ledger experience two or three years back is valueless today. That man might have been in position to pay at that time, three years ago. A

great many things could have happened in six months. He would not be a desirable risk today, perhaps.

MR. LAWO: You misunderstood me. I meant from two or three years back up to date.

MR. HEIMOVITZ (Milwaukee): In my experience as a credit man there is no doubt but what the ledger reference is what we want. However, it all depends on the account. For instance, if the party is applying to open a new account and they may have some friends who have been trading at our place and are on my ledger, I naturally would refer to that particular part of the ledger in seeing how well their friends have been paying on their accounts. As a rule, when a party applies for credit, they will give you some reference whereby you may have a person on your books and that account may not really be worth giving credit to.

I therefore prefer seeking outside information to get all the information I possibly can to govern myself accordingly on both the new and old account.

MR. ROSENFIELD (Dallas): I agree in part with Mr. Lawo, for this reason: That the word "antecedent" as you place it there is simply a man's record previous for some distance back, not the recent record, the manner in which he took care of his obligations before coming to your city. If he has been a resident of your town for a number of years, that isn't necessary. If he is a recent arrival, you certainly want his previous record or antecedent information.

PRESIDENT BLACKSTONE: In order to obtain the voice of the meeting on this, I will say all those in favor of both kinds of information will raise their hands. (Majority of hands in audience shown.)

One question we passed over yesterday in open forum will be presented by Mr. Horton, of Tennessee.

Mr. President, Ladies and Gentlemen of the Eighth Annual Convention of the Retail Credit Men's National Association.

I consider it a great privilege to be honored with a place on the program of this convention. I will do my very best to give you all some light on this subject that has been assigned to me, that my experiences have revealed, and I hope that you will get at least one thought or one idea that will be of some benefit to you in your business, or to your community, or to you individually. My subject is:

"Conceding the credit man as a business builder. Should he receive the same percentage of extra compensation or bonus that is usually paid general sales agents, advertising managers and merchandise men?"

I certainly think that this subject should have been assigned to some speaker other than myself for this reason: For a speaker to talk on such an important a subject he should be an experienced credit man of quite a number of years. To give justice to all he should be an executive who has felt capable as a credit grantor, who has been promoted to a higher rank in the organization. He should know just what a credit grantor's position is and should be able to give some very interesting points concerning this subject, but as a credit grantor of a few years of practical experience, I will try and leave with you some of my points which have come to me as a credit grantor.

Before getting to my subject, I wish to say just a few words about the National Association. Looking from my viewpoint, the National Association is now in its infancy. It is outgrowing its clothes faster than Dave Woodlock can make them; it is increasing in number and must have continual support that we 8,000 members have given it during the past year.

We have almost doubled our membership during the past year, and now, will we double it again during the following year? If we do, it means that we must have

8,000 members who are willing to assign to themselves the duty of getting at least one new member, and more, if possible. We have been blessed during the past year by having efficient officers for our National body, and so it is quite true that we will have the same kind of officers for the ensuing year. Now, we must all back them up by answering their call. If they ask you during the coming year to be a chairman of some committee, do it, and put just a little into the National Association, and I am sure and will guarantee that you will get something in return. Do not expect something for nothing. If you are offered something for nothing I would advise you to call a policeman. We must heed the call of our most worthy Secretary, as he is doing great work and should be praised very highly. He is the man who put the wood on Woodlock, and if you do not do as he says, he is liable to put the lock on you and cause you to be drafted for our National work. We must all return to our homes in a few days, and if you get a call from the head office, heed that call. Take a big part in the National Retail Credit Men's Association, attend each and every Convention, if possible, and by so doing you will be a booster, thereby advertising the National Credit Men's Association from coast to coast. Ask yourself this question:

"If every credit man was just like me, What a National Association this would be."

Now, friends, I wish to dwell upon my subject as an experienced credit man.

Has every credit grantor thought as to how important their position is to their firm? You know that in years gone by credit grantors were not even thought of, but later they began to spring upward, and have been springing upward constantly. In speaking from my subject I wish to say that we, as credit grantors and business builders, must be on the same order as the school teacher. We must all help to educate the buying public as to our terms and methods of doing business and also teach them the importance of meeting their obligations at maturity and thereby safeguarding their credit.

We must be considerate and always be willing to meet our applicant half way on any subject, which would always enable us to leave a good impression upon them. We should always be very careful as to making changes in our systems, as sometimes we put into effect a new ruling which works a hardship on our customers. We should always be willing to co-operate with our delinquent customers in such a way that they would appreciate and feel that we are offering assistance. By so doing we can at times collect our past due accounts and keep the good will of a profitable customer for the house.

On the other hand, we could be impotent and lose our head, thereby losing the account and also the customer.

Another very important fact for the credit grantor to consider as a business builder is co-operating with the sales people. We should do this in order that they may know just when to discourage a charge sale and when not to. If we, as credit grantors, do not co-operate with the sales people, we will be confronted with the following troubles:

Sales people advising charge customers that it is not necessary to go to the credit department and open a charge account, then when a charge is presented to the credit department and refused for the reason that the party has no account, the customer cannot understand why he, or she, received this information from the sales person and you will probably not have the opportunity to get that customer to come to the credit de-

partment, and you have probably lost a profitable customer. Sales people making terms on the floor, sales people giving advice when they should not be allowed to do so. You are aware of the fact that as a general rule this is not very substantial information.

We should be lenient with certain classes of accounts and should study the different classes of people very carefully. There are so many accounts that are almost of the same nature, and yet they are different. For example, you might have four past due accounts and probably have a form letter which, without consideration, would be sent to these four customers, and after consideration you would find that the four accounts were different in several cases, and probably the form letter would answer for only one of the four accounts.

We should always mean just what we say when we are writing regarding any past due account. The credit grantor, from my point of view, should have more executive authority than that which, as a general rule, is empowered upon him in order to be a business builder for his institution, and by having more authority he is then considered a very worthy executive, not more than is justly due him. We, as credit grantors are sometimes empowered with the necessary authority and are not broad-minded enough to grasp the opportunity. Opportunity does not come to you with your name and address printed in big golden letters. Opportunity belongs to the human being that has the presence of mind to improve it.

The first thing necessary to win the love of a woman is the great big word with the wonderful meaning which comes and goes, which is *Opportunity*. Each golden wave of life is an opportunity. It may seem small, but you must, as I mentioned previously, conquer the small chances before you are fitted to control the large one. So, it appears to me that the first weapon with which to fight for more business is the big word, opportunity. And Mr. Credit Grantor, please be wide enough awake to have your net spread in order to grasp that opportunity when it comes.

As credit grantor and business builder for my firm I would rather have the opportunity, even though I make a failure, than to have the ability to do it and not have an opportunity. The credit grantor must absolutely have an opportunity before he, or she, can be a business builder for their firm. We should have the authority to make adjustments with customers as to any misunderstandings, as we are generally the first one to come in contact with the new charge customer unless the salesperson should get them first. Then, of course, the salesperson after learning that the customer has no charge account, directs them to the Credit department.

Now, here is where opportunity makes its appearance and the credit grantor must be there to hand the customer the right key to the main entrance. We must watch our step, as it all depends on what kind of an opinion the customer forms of us as to what kind of a customer they will make for your house. After opening a charge account with a new customer, write them a letter thanking them for their account and telling them to make themselves at home when in your store, and ask them for advice or information relative to any mistreatment that they might receive while purchasing in your store.

Watch for the newcomers in your city. Write them a letter as soon as you can after they have located and tell them about the conveniences of your store, call their attention to the vast assortment of merchandise, and ask them to make a visit through your store with no obligations to make purchases. Watch your step

and take advantage of every opportunity, and you, as credit grantor, will have several chances to make good.

By all means, try to see that your firm backs up its advertising, as the credit grantor generally gets the blame for anything that goes wrong, due to the fact that everyone thinks that because we are the first one to call on before starting charge account, that we are the ones to correct errors. So many times have I directed customers to the manager of our establishment, the merchandise man, the floor manager and traffic department, the mail order department, and many other departments throughout the building. We, as credit grantors, are the strongest links to our institution. We can do either of the two things—build up, or destroy, the business for our firm. We must be on the job at all times with a great desire to increase the business day by day. We must be a good judge of human nature and must be able to render a decision at the quickest possible moment after having all facts laid before us. The credit grantor as a business builder, in my mind, is the largest asset to any business. We should have all the information available pertaining to credit conditions.

We should come in contact with other credit grantors from larger institutions in order to exchange ideas, thereby learning something new from our fellow credit grantor, which would probably be applicable to our business. The credit grantor that is a live-wire can produce some very encouraging facts for the higher executives at the end of the year. He must be in a position to curtail expenses, thereby increasing the net profits and making a big show for his department.

We, as credit grantors as I see it, should be consulted with more than we are, generally speaking; as we have to deal with so many problems that we are at times able to form a correct opinion of some of the different problems. We, as credit grantors in several cases are not considered any more than any other employee, and this, my friends, is absolutely a great mistake and should be watched closely. We are, as stated previously, one of the strongest links in the chain, and should be and are considered by several executives, as such. For example, in the year of 1917, I was placed on the Board of Directors, and was at all times in consultation with the other directors, and this made me feel as though I was given some consideration, which was greatly appreciated. We, as credit grantors, are generally business builders, but sometimes make mistakes. Consequently the firm must suffer a loss. At times the business is lost, due to the fact that the credit department is overloaded, and this is a very serious thing and should be noticed carefully for the reason that when you overload your credit department you are going to overload your accounts receivable, and then something is going to happen. You are doing the credit grantor an injustice and also giving him a weapon with which to drive away your business. We must always be a gentleman or a lady, although our past due friends would never consider such, but we cannot afford to lose control of ourselves. Simply because self-control is one of the greatest weapons with which to build a business, and when we cannot control ourselves we cannot control the other fellow.

In speaking of executive power, I believe that every credit grantor should be placed on the Board of Directors, because it makes him or her think that you are helping him or her to be a better credit grantor and also shows that you are taking special interest in them. I am speaking from personal experience as credit man. I was elected Secretary and Treasurer for my firm three years ago and, as stated above, was placed on the

Board of Directors, and I can assure you, my friends, that this certainly made me a bigger credit grantor.

The President of my firm has, in several instances, reminded me of the fact that I must make my arrangements to attend the Credit Men's Convention. This is another thing that makes me a bigger credit grantor. The President and General Manager of the firm which I represent has previously expressed himself as regarding the credit manager as a very profitable asset to the business. He is at all times ready to co-operate with this department by keeping in touch with me from time to time, and also feels it necessary to ask questions occasionally as to the figures of the credit department.

Fellow Credit Men and Credit Ladies, this is what I call co-operation. Coming from the biggest man of our institution the credit grantor should be and is in several cases rated very highly by most of the higher executives of all organizations. We should at all times study our position and be willing to analyze it at any time we might be called upon to do so.

Once upon a time, at one of our local credit men's uncheons, we had the Mayor and the City Commissioners as our guests, all of which made short talks. One of the speakers made this remark regarding the credit grantor: He stated that at one time before being elected as City Commissioner he was President and General Manager of one of the largest ice cream manufacturers in the South. He said that he always regarded his credit grantor as the key to his bank account, and considered him as his right-hand partner. He mentioned the fact that he thought the credit grantor should be paid the highest wage of any other employee in any department.

This man is a very broad and efficient business man and is now City Commissioner for the City of Knoxville, and is doing great things for the betterment and future progress of our city.

The credit grantor, in my mind, is not a slave by any means, but really is a good 100 per cent business builder for your business, and by co-operating with the other executives of your organization he can bring you more business than any other employee you may have.

I am sure that I could have mentioned several other good points pertaining to the credit grantor as a business builder, but as I had only a few moments in which to prepare these few words, I wish to only leave these few thoughts in your mind.

Please remember that you are of vital importance to your firm and that you should at all times take advantage of your opportunities in order to build up your business; always trying to profit today from your errors of yesterday.

Now, regarding the latter part of my subject, I wish to say that this, of course, is a very broad subject and one which it would take considerable time to dispose of, but I would simply say that the business pertaining thereto would, of course, have a great deal to do with this. And to give fairness to all concerned you would certainly be compelled to use a certain kind of business in order to give a fair answer. Of course, you are aware of the fact that in some cases, advertising men and sales agents assume greater responsibilities than that of other advertising men or sales agents of some other business. But generally speaking, I do not think that any advertising man or sales agent should be rated the same as the credit grantor. As you all know, any credit grantor assumes more responsibilities than the average advertising man or sales agent for the reason that in most cases the credit grantor assumes responsibilities of more than one certain thing. He assumes the responsibilities of the charge authorization, bookkeeping de-

partment and cashiers, who receive money for accounts receivable, cashiers who receive money for cash sales, also finances, and in many cases assumes the responsibilities of arranging the salaries paid to the employees. So you can readily see that there is more than one item for which the credit grantor must be responsible. The credit grantor does not have his letters formed for himself, but as you know, the advertising man always has his items written plainly by the heads of the departments, thereby taking only the time for the advertising man to place only these items in their different places in the "ad."

The sales agent, in fact, always looks to the credit grantor to help him when he wants to get rid of some of his old stock of merchandise which probably has been in his department for some time. This is a point where the sales agent unloads his merchandise onto the credit ledgers for which the credit grantor is responsible. I think that we, as credit grantors, should absolutely refuse to accept any charges unless they are first-class customers, for any such merchandise. I do not understand why any firm should rate their credit grantor on the same basis as the advertising manager or the sales agent, as the credit grantor has his different problems and it is necessary for him to lose some sleep over the day's happenings. As a general rule, you will always notice that the credit department is always on the go from morning until night. And this department in several cases is compelled to work extra hours at nights in order to keep their work up with the business. As stated previously, we, as credit grantors, must assume greater responsibilities than that of the advertising manager or the sales agent, and, speaking from experience of quite a number of years, I think that the credit grantor should be paid according to the responsibilities which he and his department must assume. He will, as a rule, assume greater responsibilities, if given an opportunity to do so.

It is often thought, or rather looked upon as a vision, that we, as credit grantors, are only a clerk in an office, and it is often considered that we do not possess the ability as that which an efficient executive would possess.

In several cases the credit grantor is promoted to general manager, simply because he has the will-power to do things, and will do them right if given only a few chances.

I trust that there has been some good points gotten out of these few words, and I certainly hope that we will all go home to our different cities taking with us a good word for the National Retail Credit Men's Association.

Thank you.

W. E. HORTON.

PRESIDENT BLACKSTONE: We will now hear the report of the Committee on Credentials, which will be followed immediately by nomination of officers. These are two very important things and delegates should remain in the hall unless it is absolutely necessary for them to leave.

For the information of the delegates, I will state that Mr. Kane was invited on the program for the purpose of livening up the program for a few minutes.

Mr. Gray, Committee on Credentials.

MR. GRAY (Cleveland): Ladies and Gentlemen: This report was read yesterday and there are only a few additions that have been made. With the consent of the Chairman, I will omit these additions and ask that if there are any credentials to be filed that they be filed with me immediately.

PRESIDENT BLACKSTONE: The report of the Nominating Committee is to be submitted

by Mr. Taylor, Past President of our National Association, member of the Associated Retail Credit Men of New York. (Applause.)

MR. TAYLOR: As you all know, Mr. Blandford was appointed Chairman of the Nominating Committee and he has asked me to read the report for this reason, which I will explain in a few words: The Committee met yesterday afternoon and last evening after the boat trip. We held two sessions and we canvassed very thoroughly the qualifications for members who we thought were best fitted to fill the various offices for the coming year.

Among the names selected for directors was that of Mr. Blandford. He did not want to serve because he felt that he had already had all the honors that a man could possibly have conferred on him by this Association, but it was the request of the Boston delegation that he be nominated as a director. He said that he felt that he should not serve; furthermore, as he was Chairman of the Nominating Committee that it would not look well for him to appear as a candidate for director, being Chairman of the Committee.

The matter was thoroughly gone into, every member on that Committee voicing his opinion, and it was the unanimous opinion of that Committee that Mr. Blandford should serve and he stated that he would on one condition and that condition was that I would read the report and explain to the convention his reason for so doing.

The same condition held in the case of Mr. Lewis of Los Angeles. He did not want to serve because he was a member of the Committee, but finally we persuaded him to do so inasmuch as I would read the report, and the names selected for the various offices and the Directors are as follows:

(Reads report.)

Mr. President, Ladies and Gentlemen: Your Committee on Nominations of Officers and Directors has the honor to recommend the following named persons for the consideration of the delegates of this convention, for the offices and positions to be filled during the electon to be held on Friday, August 13, 1920, as follows:

For President, Mr. George A. Lawo, the Jno. Gerber, Co., Memphis.

For First Vice-President, Mr. E. W. Nelson, Rudge & Guenzel, Lincoln.

For Second Vice-President, Mr. Jno. Connolly, Crichton Bros., New York.

For Directors:

Mr. Sidney E. Blandford, R. H. White Co., Boston.

Mr. W. Slater, Sterling & Welch, Cleveland.

Mr. W. F. Snider, Scruggs, Vandervoort & Barney D. G. Co., St. Louis.

Mr. J. W. Lewis, Union Bank & Trust Co., Los Angeles.

Mr. Martin Larson, Schriver-Johnson Co., Sioux Falls, S. D.

Mr. Adolf Grasso, Retail Merchants Assn., San Antonio.

Mr. H. J. Burris, Berkson Bros., Kansas City, Mo.

Mr. Edward Milner, Capper & Capper, Chicago.

The audience applauds and cheers the nominees for office as the name of each is announced. The name of each nominee for Director is also heartily applauded.

I wish to add that in making these nominations we nominated men to fill the vacancies for eight Directors. We did not add any additional names, but we canvassed the situation very carefully and it was our earnest desire to select men from such sections of the country so that the whole country would be taken care of in its directorate and the names that I have read off today, together with those of the directors who hold over, would give us that representation. If you will refer to the Credit World and to a copy of this report, which will be placed in the hands of every delegate at the adjournment of this session, you will find that the Nominating Committee went over the matter very carefully.

I thank you for your attention. (Applause.)

PRESIDENT BLACKSTONE: Under the present requirements of the Constitution and By-Laws of our Association, we will now proceed to the nomination for officers. In making the appointment of a Nominating Committee I entered thereon the name of every member of our Association that was presented to me by the Directors at the session held on Monday afternoon of this week. Consequently, if there was ever an absolutely non-partisan nominating committee appointed by any organization, the one that represented you in making these nominations was that committee.

Do I hear any nominations for the office of President of this Association for the coming year?

Hearing none, nominations for the office of President are closed. (Applause.)

Nominations are now in order for the office of First Vice-President of this Association. Do I hear any nominations? Has every member had an opportunity to make himself heard?

Hearing none, the nominations are closed on the office of First Vice-President. (Applause.)

Nominations are now in order for the office of Second Vice-President of this Association. Do I hear any nominations?

MR. TREGOE: Tom Reed hadn't anything on your President. (Laughter.)

Hearing no nominations, the nominations for Second Vice-President of this Association are closed. (Applause.)

The next thing in order is the nomination of additional names for the directorate for the coming year. Are there any nominations for Directors?

If any member has anything on his mind now is the time to bring it out.

Hearing no further nominations, I will declare the nominations for Directors closed at this Convention.

We have with us here today, by special request of the Treasury Department of the United States, one of its representatives, Mr. W. E. Richards. We were not aware that Mr. Richards would address the convention in time to have his name entered in the program, but nevertheless it affords me great pleasure to introduce to you a representative of the United States Government who will talk to you on the subject that will be of immense interest to you and whom I request not to mention anything of a partisan political character. Mr. Richards. (Applause.)

MR. RICHARDS: Mr. President, Ladies and Gentlemen: Until a very short time ago I had almost decided definitely to invite you to my porch, but I changed my mind, as you see.

The subject that is inviting the attention of every citizen of our government is an economic one and you ladies and gentlemen are perhaps more intimately acquainted with this subject than any other set of people outside of bankers.

I will admit that with my experience with credit men and credit systems, some of you would put the bankers to shame!

We have a subject that is worthy of your attention in order to stimulate your business. I notice on the bulletin board back there a sample of duns and I must say that they are very creditable. Now, in harmony with a program of that kind, in order to make it effective you really have to take your customer, your client, under your tuition or training.

There are so many people who require the teaching of how to handle their funds and none know better than you people the truth of that statement. You give people an inch and they will take a mile, so to speak. I don't say any of your customers do that, but it's been heard of and known.

And so, we believe that in preaching the gospel of thrift that we can come into your service with just as great value and profit and benefit as we can into any other organization. We have had a great deal of pleasant experience as well as unpleasant experience throughout the land in asking certain organizations to endorse our

movement. Some say, "We can't endorse it because look at the condition of the bonds that were sold to the people. I admire your nerve, at least, to come before us with the proposition that asks us to stimulate and encourage the further sale of any government security."

And I say, in answer to that that the Government is yours and that if you have not the confidence that you can take care of the pledges that you have given to the public in times gone by, insure them that the amount borrowed will be paid in due time according to the contract that the Government made with them, that you made with them, that the bond was due at a certain time, twenty years hence, at a certain rate of interest per annum; I challenge anybody here to advise me that the Government has failed to keep that promise owing to certain emergencies and exigencies in the private lives of certain people, they have, through fear, through any other suggestion, oftentimes with out substance, seen fit and did dispose of their bonds at a sacrifice.

We know when bonds or any other security are thrown on the market in any great number the prices will drop, and who will be responsible for it? The people who are contributing to the increasing number of bonds for sale.

We approach the industries asking if they will encourage the sale or the distribution of these bonds among their employees. I am very pleased to say that in Detroit, that in all the large cities you could think of we have had very encouraging support, but we can't get it until we get some vital organization like yours, the Advertising Club, the Chambers of Commerce and so forth, to endorse us, to see eye-to-eye with us, with the beneficence of our purpose that the individuals throughout the nation are the people who will profit thereby.

It's a matter of education. I will go back to the proposition that when persons disregard the rights of your credit system you have to bring them in and counsel with them, show them where they can make a dollar go farther than they believed it could go. That is your experience. I have seen men who have made the business of Marshall Field go as high as it has through their credit system and I recognize two gentlemen here from the Pacific Coast and I know from experience it's the same with stores like the Emporium, O'Connor & Moffett that I also have in mind as being a very fine store. Their credit system is for the purpose of serving a community need sometimes, but more often a community habit.

Now, may I ask you gentlemen, as I have asked other organizations, to present with as much favor as you can without libel or slander or political preference, that this movement of ours, that savings movement that is launched by the Treasury Department and encouraged by the Department of Justice and fostered by the Department of Agriculture, be used when and where possible in your relation with your clients? If you see an opportunity to direct the attention of some of these people into savings methods and saving channels, I am here to say that the best investment that you can direct their attention to today is the Government securities, in spite of the bad taste with which it was received in certain circles, especially the banking circles.

We have a great service to render and when you can teach people to save, you are teaching them to do something that will be of everlasting benefit. Perhaps some of you gentlemen have learned the lesson of saving only since you have become interested in credit work, that in schooling others you actually school yourselves. I am speaking now from experience; I don't come into the presence of you gentlemen as a foreigner at all. I enjoy immensely the recollections that came from my identification in that particular line.

Will some gentleman here be kind enough to favor me and serve the Government by giving a resolution that you can see the benefits, that we want you to see and that we want you to convey to the public so that the public can see and continue to see that you have faith in the Government's saving program and that you believe that it will do all that it says it will and

can do, and bring it to the attention of your possible interviewers—these very pertinent facts, that after every war we have a large era of prosperity and that associated with it comes a very prevalent habit of extravagance?

I know there isn't anybody here who is contributing to the habit of extravagance. You will not indict me for that, I know, but there are hundreds of thousands of people in this country with whom you come in contact that you could easily say to, with a clear conscience, "You are indulging in extravagance that is beyond your means to support." Then I would suggest that you do one of two things, that you invest in your own home, that you take out insurance, that you give some attention after all of your exorbitant income has been settled upon, that you give some support to your Government in the way of buying Government securities, whether it be thrift stamps, war savings stamps in denominations of \$5, Government securities of a thousand dollar denomination or Liberty Bonds, which is the most attractive yield of any we know of today.

In doing that, you are helping the individual to mould character which is so necessary in the life of all the people of our nation. We are living in a crisis today, I believe, that means much for America and much for the world, and it requires individual effort as well as co-operative effort to carry into the fulness of fruition the ideals that we are bringing before you.

I feel a little uneasy in taking so much of your time, but I don't want to leave the thing with too flimsy a structure before you. I want you to get out of it all that I would like to see you have. Just as I say, I feel I am intruding upon your good grace at this time, perhaps some of you are hungry not for the things that I am talking about but for something more attractive, so may I repeat that I would appreciate it if some of you good-spirited citizens would offer a resolution indicating that it is the sense of this meeting that we give, direct, some attention toward the stimulation of our Government securities, that we have still faith in the ability of Uncle Sam to pay his obligations and that it is a program, the program of saving, that is so vital in the life of the nation in constructing it along lines that will be lasting and substantial.

May I thank you for your exceedingly cordial attention and for the generosity expressed through the Chair in presenting me? Thank you. (Applause.)

Announcements.

PRESIDENT BLACKSTONE: The Committee on Fraudulent Bank Checks will make a supplemental report at this time.

MR. NELSON (Lincoln): All we wish to do is to submit the resolutions to the Resolutions Committee:

The By-Laws Committee have filed their report with the Secretary, according to the present by-laws, and we have here ready for your convenience, copies of the proposed changes, etc. We call your attention to the fact that the article which is to be amended is in small type and the new matter is in large type. All the articles which are to be amended with two or three exceptions have been printed in this pamphlet. Those two or three will be explained to you tomorrow morning.

This is scheduled to come up, according to the program; at 9:40 tomorrow morning and we presume the President will call for it at that time. The Committee hopes that there will be a good representation so that everyone may have a fair hearing and a fair opportunity in connection with these amendments. The principal changes in the By-Laws are these:

The statement of the objects of the Association, the membership qualifications, the dues, the manner of election and the elimination of subscriptions and rules. There will probably be submitted an amendment to this report, giving a better description of membership qualifications.

Several changes were needed so as to make the entire lot of by-laws consistent, harmonious, clear and easy to understand. That accounts for a number of the minor changes.

I will be here at the convention hall or up at the headquarters, Room 1152, all the afternoon so that anyone who desires to ask any questions or obtain any information or interpretation of the Committee's ideas about these changes may be accommodated.

PRESIDENT BLACKSTONE: Gentlemen, Mr. Tregoe received a very important telegram a few minutes ago and had to leave the convention. He desired me to express his regrets to you for having to leave before the adjournment, and I told him that it was the loss of the Convention rather than any loss to Mr. Tregoe. I hope that I expressed your sentiments.

Announcements.
Adjournment.

BANQUET.

Thursday Evening, August 12, 1920.
Following the banquet, Mr. Schick introduced the Toastmaster of the evening as follows:

MR. SCHICK: Ladies and Gentlemen: It affords me great pleasure to introduce our Toastmaster, Dr. Rice of Detroit. (Applause.)

THE TOASTMASTER: Mr. Chairman, Ladies and Gentlemen: Why a preacher should be asked to preside at a credit banquet, I don't know. It's the only credit entrance that I get at all in this town, and what I need is credit, not banquets. What I need is association with these folks and inside relationship with what you folks represent, and I'm tremendously interested in. I get a banquet once in a while off of credit folks, but it isn't banquets I need. I want a very close relationship to this financial situation which is a mighty problematical thing at the present hour in which it is my privilege to stand before you as a representative of the ordinary citizen, and to find out whether or no we can have anything sent up to the house.

A credit man said the other day in our city that the two worst customers that we have in the store are boardinghouse keepers and preachers. (Laughter.) I don't know what the ordinary judgment and conviction of you men has been, I don't know whether you've pulled that or not, but that's been the judgment of our local credit association. I have spoken before them and done my very best from time to time to convince them of the fact that at least we're not as bad as the man I saw an article about and cut from the paper out in Philadelphia. The Lord knows how slow they are with notes out there, but this is one that they had in Philadelphia that had been found in Egypt that was four thousand years old and unpaid yet. (Laughter.) I am not quite so bad as that, I don't know what the prospects are after I'm gone, but I think some of my notes will hold out for a good many years.

But the present situation that is before us, ladies and gentlemen, you who are associated with the ordinary work of the world and especially those of you who stand between the salesmen and the order—and as one of the salesmen's representatives I here tonight who shall stand, perhaps, to present the representation here to you that of all the troubles of salesmen the credit man is the chief trouble, he'll probably tell you that it doesn't make any difference how great his sales are, after you get done with him his sales come in day after day and are cut all to pieces—I want to say to you that the relationship of the present moment in the financial world touches the whole industrial condition of the nation and of the world.

I cut from my paper almost every day something about Brother Ponzi. Brother Ponzi's relationship to the foreign exchange condition has interested me immensely in the last few days in just marking how strangely the fluctuation of foreign exchange influences the movement of confidence and credits all over the world, so that if the German mark comes up today, the French franc will come up also, and the English pound—and it's time for all of them to come up a good deal further than they are now, though they are up higher than they have been in the last few months, for it was only in February when the English pound got down as low as the point where an Englishman can't stand to have it any lower.

And not only the English pound, but everything else was following it down to that point and the German mark got so low that it was hardly distinguishable, you could hardly see the mark. Somebody said to me the other day that Germany has a new cry among themselves now. It's not longer Deutschland über alles, but God Save the Mark.

I spoke yesterday at a banquet of the life insurance men of our city and one of the life insurance men had ten thousand dollars, so-called, in marks, and some thief broke into his safe two nights ago and never even touched 'em. And a thief who wouldn't touch a mark in these days knows his business.

You hear it said that Germany doesn't know she's been whipped, but when a German mark that used to be represented in the story of the world's financial condition well toward twenty-six cents is marked down below two cents, that's a mighty small mark, in my judgment.

I am very glad that we stand tonight in the most remarkable country of all the world's history and in the most remarkable period in the story of the most remarkable financial period in all the world's life. When the war began, the nations of the world owed forty-four billion dollars. I don't know how much of that I owed, but I owed some of it. Forty-four billion is considerable, in my judgment. Just how much a billion is, I don't know. It just seems to be a figure or two and phft! phft! phft! a long row of cipher after it (laughter), but whatever a billion is, we were in debt, the nations of the world, forty-four billion dollars when the war broke out and that was quite a respectable debt and we thought ourselves that we were in far enough to be uneasy about it.

At the present moment, the nations of the world owe not forty-four billion dollars, but the nations of the world owe two hundred and sixty-five billion dollars and at the rate we're going, the Lord only knows how much we will owe in the next year for we have increased our debt since the Armistice and so tremendously that we are wondering at the financial condition of the world.

There was a company of financial men in our city recently from Europe. They have been in all your cities, without question. They were looking for some money to borrow. They didn't come to the ministers, so far as I know, but went to other places in the city that they might take back some money to Europe. It was a very interesting thing to me because the argument they brought was this (and it was my privilege to meet with that committee, I just had the privilege of listening to them talk), I heard these men make this very fine argument (I immediately went across the street to my banker to see if I could put it across with him, but it wouldn't work):

"We, in Europe are so far in debt that the only way we can ever get out is to get in further." (Laughter)

I said, "That's a fine situation." I put that down immediately. I said, "That will work on international finance, why not apply it in my particular case?" But the banker said, "You can't pull that personally." I said, "If I could just pull that personally, I know of a number of things I could fix up. I don't know how I could ever get that fixed, but I could fix up a number of things that are bothering me at the present moment."

But the whole financial condition of the world is so seriously unsettled that we are facing tonight, this very vital fact, not only with our debts increased, not only with our production at a remarkable situation in our country at a time when production is needed more than any other one thing that is before us, not only has our production been decreased in America and our transportation bringing us into trouble because of the lack of facilities, but we are facing at the present moment the most remarkable period of extravagance the world has ever known and that has founded itself in the poor folks of the nation and that's the reason there's trouble in it.

I don't care the snap of my finger about the extravagance among the rich, I am delighted at it, rich folks can blow themselves any way they want to, they can buy summer furs for all of me (laughter)—and I think next to silk hats summer furs are the biggest fool things men ever put on themselves (laughter)—I do not care what the rich do in the line of extravagance; it's a part of the game and perhaps it's the best thing for us that they pull it. It doesn't touch the financial condition, it doesn't touch the economic factor of the world, but just as soon as the ordinary people of the world become extravagant, just as soon as the poor people of the world run into an orgy of spending, it touches the very heart of our economic foundation of society.

That is what is on right now. You credit men are standing watching this extravagant fact and perhaps you are standing in the most critical moment in the economic story of our country to guard that liability, for when we come back to the days when there was not quite so much money in the ordinary business of life, then we will find that extravagant tastes that we've put on at the present time will have to readjust themselves, and they're a good deal harder to readjust in some folks who have never had them before than in forks that have been born with 'em.

For instance, I was down in Fort Wayne the other night. I don't know whether anybody else is here from Fort Wayne, but I got this from Fort Wayne, it's a mighty interesting story to me. I was down in Fort Wayne and a fellow down there running a clothing store told me that there was a rich man in the city of Fort Wayne—be sure and get this right, now; don't misquote me and say I knew this man—I know a man who knows a man who owns a silk shirt. That's the nearest I come to it, but I know the man who knows the man who owns a silk shirt. That fellow lived in Fort Wayne. He was a rich man of the town. You can easily imagine that, he'd have to be to own a silk shirt.

He went in to buy a new one the other day. He used to go to church, and he wore his silk shirt to church; consequently, it wore him for many years and he hadn't bought a silk shirt for a good many years. (Laughter.) If it hadn't been for the laundryman, he'd have been all right yet but the laundryman did some wear and tear on the shirt than he did and consequently he had to get a new shirt recently, it had come time to go to church again.

And he went into this clothing store and asked for a silk shirt. The fellow threw down a silk shirt. The man asked the price and the clerk said, "\$12.00."

"Take it back," he said, "Nobody can ever hang a shirt on this carcass that costs \$12.00. Never!" And he poured into the shopkeeper's ears a number of things that you'd be surprised to know unless you've had this same fellow at your window asking for some usual credit.

After he had finished his speech he turned around and bought an ordinary shirt that he used to pay \$1.75 for and paid \$4.00 for it, went out not in a religious frame of mind when he left that store and probably he didn't go to church after all, but this is the interesting part of the story.

Immediately after he went out the door two men walked into the store who work on the railroad at Fort Wayne—not the president of the railroad, but just fellows who work on the railroad. They walked to the same counter and asked to see some silk shirts. The clerk threw down the same shirt, told them the price, \$12.00, and they pushed it aside and said, "Aw, show us a good one!"

So he threw down a \$14.00 shirt and they pushed that aside and said, "Show us a good one!"

The fellow threw down an \$18.00 shirt and asked, "How's that?"

"Is that the best shirt you've got in the house?"

"No, sir; here's a real shirt," and he took one down from the shelves just exactly like the

other one, perhaps, only with a different stripe. "That's \$22.00."

One man said, "Give me two of 'em."

The other one said, "Give me two, too," and the two men took the four shirts, paid \$88.00 for them and walked out.

The thing I'm trying to get to you is this fact, and I want you to get it down in your heart and soul because it's a fundamental fact for the readjustment of the condition, financially we must be readjusted before we'll ever get out of this troubous situation: That the ordinary world at the present moment is struck with a spasm of extravagance the like of which the world has never known and it's among the poor and not among the rich. The rich are not extravagant tonight, it's the poor who are extravagant.

I can take you this minute in this town of ours to where stands, in a little bit of a cottage, a place without a rug on the floor, without a picture on the wall, with three little children that are poorly clad, with a wife that knows nothing whatever about music and not a child that knows a single note on the piano, to where there stands unpaid for but \$900 paid on it against \$1,500, a grand piano that stands, the most lonesome looking thing I have ever seen in all my life as an extravagant situation of a contract for \$100 a month to pay on a situation which is absolutely striking at the fundamental heart of the economy of our day, and I ask you therefore, as men and women:

But I absolutely must stop. I want to introduce to you tonight your President, who is still your President. I want him to launch straight into this thing and say whatever he pleases, which he always will do anyhow—a man with his name will say what he pleases anyway. I used to study that stuff, and he has come through with it in such remarkable measure in facing with you these tremendous fundamental principles of credit in this striking day of ours, I take great pleasure in presenting to this company Mr. Blackstone, known far better to you than he is to me and yet a man whose name has gone to the end of the country on these vital things that concern the very basis of the world's industrial life, and of the nation to which we belong. I present to you Mr. Blackstone, your President. (Applause and cheers.)

PRESIDENT BLACKSTONE: Mr. Toastmaster, Ladies and Gentlemen of the Convention: It is hardly necessary for me to say that I realize that the subject that has been thrust upon me by Dr. Rice is one that you have been listening to, in spasmodic periods, during the time of this convention.

The little message that I will give you is one of optimism. I am not of the panicky or pessimistic school. I believe that the readjustment of things in America can be brought about better and more lastingly through optimism, and I am of the firm belief that the American people, and those of foreign birth who are here among us Americanized, by that qualification, optimism, that by creating in the heart and mind of anyone a feeling of insecurity as to the future.

It has been said by orators that the American people always rise to an occasion, and being an American, I have faith in the perpetuity of American institutions. I have faith in the fact that we can "come across" on this as we have done on many other things. In other words, there is more surety of success on an offensive attack when you have confidence in what you can do, than there is on the defensive when the nerves are shaking and there is no confidence.

When you leave this convention and take your message back to your home towns, take the belief that the period, through which we are now passing, is of such temporary character that a year from now you will look back upon it and wonder why so much was made over a trifles. And when I say "a trifles," I mean the condition depicted by references to unnecessary buying, such as the incident referred to by Dr. Rice.

I have heard many cases of the kind he mentioned; and who is to blame for a condition of that kind? The retail credit man. And when

the retail credit man approves an account of that kind, whether a deferred payment, lease or otherwise, he is an optimist because he has faith that he will get all the payments.

As to the proper use of things that are bought and paid for, that is not a question for the credit man to determine, but even optimism will not stand for useless extravagance. A year ago it might have been proper to "take a chance" (as the American baseball enthusiast will caution the famous player), but today there is more care being exercised in credits and I claim that this temporary infection will pass away just as the great horror of war passed on. We now look back upon it and realize that the thing that won the war was the confidence of the Allied Nations.

As Mr. Kane said this morning, "We came to this convention to learn." Since I have been at this table I have learned. I hope the time may never come when I will be incapable of learning something. I was surprised and amazed, I might even go further and say some astonished, to learn that our good friend, the Toastmaster, Reverend Rice, goes over to Windsor just like common folks. (Laughter.)

That reminds me of a little incident that I heard of some time ago relating to a minister who, some years ago, decided that he would not follow the ordinary customs at marriages and funerals, but that he would inaugurate a new system, and that he would handle things in an up-to-date manner.

The first opportunity that he had to demonstrate the quality of his idea came at a funeral. Instead of going through the customary function of saying, "The relatives will now review the remains," the minister, in shaking tones, said, "The relatives will now pass around the bier." (Laughter.)

I once read a story in a newspaper. Mr. Guest over there gets his stories from Dr. Rice and Dr. Rice gets his from Mr. Guest. I happened to be between them here tonight and picked this one up again. Nevertheless, I am going to "spring" it.

Two boys were fishing in a pond; there was a sign along the bank, "Fishing Not Allowed Without a Permit." The owner came along and saw the boys and proceeded to chase them; he chased and chased and chased and finally one slowed up and was caught. The other got away.

The chaser said, "Have you got a permit to fish on these grounds?"

The boy said, "Yes, sir," and he went through his pockets and finally found the permit.

And the man said, "Well, if you had a permit to fish here, why did you run?"

"Well, the other fellow didn't have any permit to fish here and I was helping him out." (Laughter.)

That is co-operation. That is co-operation of the practical kind and co-operation is the basis upon which this organization is founded—local and national retail credit co-operation.

We have a great organization here. We have had a very good convention and as the years pass on there will be the usual requirement of good and orderly progress. There are a few things that I might mention that can be developed to an extent that, up to this time, there has been no opportunity to devote to them. One of these comes under the jurisdiction of the Committee on Credit Department Methods, that relating to limits, over-limits and complete credit control better than is in operation in many of the great stores of today.

Nearly every store has a system that they believe gives credit control but in the fiscal analysis there is something lacking in nearly every one of them. From what knowledge I have of conditions of this character, I say that I know of no store that has absolute and perfect credit control. This is a subject worthy of the attention of the best brains in the Retail Credit Men's National Association and, in the near future, such a plan should be devised by you as will make perfect credit control; so necessary in the

proper extension of retail credits and becoming more important every year.

You decided at this convention to create in the Credit World a statistical page which will be under the direction of the Executive Secretary. This new feature will make the Credit World alone worth many times the amount of the dues that is paid, either into the local or into the national associations or both.

You have before you a wonderful year of progress. You have a wonderful future beyond it and it becomes you to give the support to your officers, for the coming year, that will make it possible for them not only to meet the ordinary requirements of yearly advancement but to excel it, and with the spirit of enthusiasm that has dominated this convention and this meeting here tonight, I can see no reason why this association should not go forward with greater leaps and bounds than at any previous period in its history.

With these few words and realizing that one can talk much and say little, as I was told this evening by the other member of the Blackstone family, now present, "Don't talk too long; they hear too much of you anyhow at this convention." I will now salute you and say, good evening. (Applause.)

THE TOASTMASTER: I want now to present to you one of whom we are about as proud in the city of Detroit as any citizen we have. He has ceased to be a local citizen and has become a citizen of the whole nation, and it is with the very greatest pride and the very greatest pleasure that I wish to present to you Mr. Edgar Guest, our poet laureate, in the city of Detroit. (Applause.)

MR. GUEST: Mr. Toastmaster, Ladies and Gentlemen: That's a little different introductory speech than the one Mike Rice usually gives me. I wish I deserved it. However, I don't and know that he's just practicing on me.

I have been wondering ever since I got here why Mike Rice and I were invited to this tea party anyhow, and I've thought it all out carefully while I was sitting here. I understand the business of the credit man is to look at and up people who can't pay their bills, and Mike and I are perfect examples and perfect specimens. If you want to see a man who isn't able to pay his bills, take a good look at me right now for that position.

I am like the little fellow who went in to the rather deaf banker, the very conveniently deaf banker at times, and said to him, "Let me take five thousand dollars, will you?"

And the banker said, "Speak a little louder and cut down the amount." (Laughter.)

The only reason I'm here is because I haven't learned the lesson you credit men have learned so well. Years and years ago my mother urged me, advised me, counseled with me and begged me to learn to say No. I failed to learn the lesson. I tried to say No when Mr. Schick called me on the telephone.

Mike Rice wondered why he was made Toastmaster. He was made Toastmaster because I did say No to that. (Laughter.) I should have said No when he said, "Well, come to the party anyhow," but I didn't. I said Yes, and I'm here. I have no where else to brag about. I am not even in the position of the small boy who bragged to another small boy, "Gee, my pa's got a hen that lays an egg every day."

The other kid says, "Pshaw! My pa's a bishop and he lays a cornerstone every week."

I can't get out of nasty situations the way some clever fellows can. Like the man in the ball-room who said to the host, "Who is the homely woman over there?"

"That, sir, is my wife."

The quick-witted fellow said, "Gee, old pal, you ought to see mine." (Laughter.)

The same man got into an argument with that wife of his. She said some rather bitter things to him. Finally he said to her, "I want

you to understand there's only one woman in the world who can talk to me that way."

The wife said, "Who is that?"

"You," (Laughter) —which was crawling out of a hole he built for himself and getting out rather quickly.

I don't know whether I am as embarrassed as that minister who was called in unexpectedly to preach a funeral sermon on a hurry-up call; the regular minister had had tire trouble and was detained and the family, anxious to have the service out of the way and the household back to normal living again, called him in as a substitute.

He got into the house and into the middle of the sermon before he realized that he had forgotten to ask the sex of the departed one. Just as he was coming to that portion of his remarks where it is necessary to mention whether it's brother or sister, he leaned across the bier and in low tones said to a mourner, "Brother or sister?"

"Neither. Cousin." (Laughter.)

The way that minister got out of that situation I don't know and I don't care; what worries me is whether or not I am going to get out of mine. Now, that I'm here, the only thing I can do is to tell you one or two things about our family. The difference between me and most of you fellows that have children is that I can stand up in front of a whole mob of people like this and brag about mine and you've got to corner some fellow and buttonhole him and almost nail him to the floor to make him stand and listen to you.

I've noticed one or two things since I've been married and one is that Mrs. Guest changes her mind frequently. And I wouldn't alter that condition, either, because if ever she stops changing her mind she won't be the Mrs. Guest she is, and the Mrs. Guest she is is the Mrs. Guest I want, if you can figure that involved sentence out. (Laughter.)

This is one little bit she changed her mind on. I don't know whether she's going to change it again. I'm not making any prophecy about this, I'm merely telling the fact.

With time a woman's notions change
And years make old ideas seem strange.
Take Mary there. Time was when she
Thought one child made a family,
And when our eldest, Jim, was born,
She used to say, both night and morn,
One little one to guard and keep,
To bring up right and lead him through
Life's path is all we ought to do."

Two years from then our Jenny came,
But Mary didn't talk the same.
"Now, that's just right," she said to me,
"We've got the proper family—
A boy and girl! God sure is good.
It seems as though He understood
That I've been hoping every day
I'd have a little girl some day;
Sometimes I've prayed the whole night through;
One ain't enough, we needed two."

Then as the months rolled around
One day the stork brought little John,
And Mary smiled and said to me,
"The proper family is three;
Two boys and a girl to romp and play,
Just work enough to fill the day.
I never had enough to do.
The times that we had only two.
Three's just right, pa, we don't want more,"
Till time went on, and we had four.

That was years ago, I vow.
And we've got six fine children now,
And Mary has plum' forgot the day
She used to smile and sweetly say,
That one child was enough for her
To love and give the proper care.
One, two, three, four or five.
My goodness gracious, sakes alive!
If God should send her ten tonight,
She'd vow the family was just right!
(Laughter and applause.)

Well, after Bud came I went walking down Woodward avenue with my head swelled, "Boy baby up at our house!" and those who knew me well were rather patient and nice about it and let me rave a little while and finally I bumped into one fellow. Something was the matter with him, he had gotten out of bed the wrong side first. He wasn't in very good humor and I said to him, "Boy baby up at our house last night!"

He said, "That's nothing, we've got four."

That didn't seem possible, but I have later discovered that it's quite true and quite possible, but I got to thinking about little Bud and every once in a while I get a thought that kind of sends shivers up and down my spine. I got such a thought a few months ago. It occurred to me that some thirty or forty or fifty years from today the world is going to need some one particular big man to do one particular big job and if that is true, somebody tonight has got a little fellow who is going to be the big fellow. What sent the shivers up and down my spine was the thought that I might be carrying just that responsibility without knowing it.

Oh, Bud's bright and normal, and notwithstanding the fact that he is handicapped a little by having me for a father, he's got a chance!

So I worked it out this way:

Some day the world will need a man
Of courage in a time of doubt,
And somewhere, as a little boy,
That future hero plays about.
Within some humble home tonight
That instrument of greater things
Now sits upon his father's knee
Or to his mother's garments clings.

And when shall come that call for him
To render service that is fine,
He that shall do God's mission here,
May be your little boy, or mine.

Long years of preparation mark
The pathway for the splendid souls;
And generations live and die,
And seem no nearer to their goals;
And yet, the purpose of it all,
The fleeting pleasure, and the woe,
The laughter and the grief of life,
That all who come to earth must know.

May be to pave the way for one,
One man to serve the will divine,
And it is possible that he
May be your little boy, or mine.

Some day the world will need a man—
I stand beside his cot at night
And wonder if I'm teaching him
As best I can to know the right.
I am the father of a boy,
His life is mine to make or mar,
For he no better can become
Than what my daily teachings are.

There will be need for someone great,
I dare not falter from the line;
The man that is to serve the world
May be that little boy of mine.

Perhaps your boy, or mine, may not
Ascend the lofty heights of fame;
The orders for their births are hid,
We know not why to earth they came.
Yet, in some little bed tonight,
The great man of tomorrow sleeps,
And only He who sent him here
The secret of his coming keeps.

As fathers, then, our care is this:
To keep in mind the great design,
The man that is to serve the world
May be your little boy, or mine.

Then there is another very interesting thing about Mother, and I guess this is true of all mothers and she's forever saying to her little fellow. "Just wait till your pa gets home! Wait

till you pa gets home!”, And you know, I thought about that a lot and I got the mystery of that thing solved. Mother wants to save her perfectly lovely and sweet reputation at the expense of Father. (Laughter.) She's going to put off a disagreeable job which she ought to take care of right there and then on the spot, let it get cold for five or six hours and then ask Dad to take care of it, and it doesn't work over at our house.

“Wait till yer pa gits home!” Oh, dear! What a dreadful threat for a boy to hear! Yet never a boy of three or four But has heard it a thousand times or more. “Wait till yer pa gits home, my lad, And see what you'll git for bein' bad! Wait till yer pa comes home, you scamp, You soiled the wall with your fingers damp, You tracked the floor with your muddy feet, You fought with the boys across the street, You've torn your cloths, and you look a sight! But wait till yer pa gits home tonight.”

Now, since I'm the “Pa” of that dreadful threat, Which paints me a thing that's as black as jet, I rise in protest right here to say, I won't be used in so fierce a way. No child of mine in the evening gloam Shall be afraid of my coming home, I want him waiting for me at night With eyes that glisten with real delight, When it's right that punished my boy should be I don't want the job postponed for me. (Applause.)

I want to come home in a round of joy And not to frighten a little boy “Wait till yer pa comes home!” Oh, dear! What a dreadful threat for a boy to hear, Yet that is ever a mother's way Of saving herself from a bitter day, And well she knows in the evening gloam, He won't be hurt when his pa gets home.

(Laughter and applause.)

Mike Rice and I am two winning horses this time. About the time they get our backs broken, something is going to happen. I got talking to Mike Rice one day and we agreed that it was a whole lot better to be a sort of a mangy, worn-out, broken down, willing horse than to be a high-toned, high-bred, thoroughbred horse locked up in a barn and nobody daring to go near enough to touch and see him. We've got some of those thoroughbreds in this town. Poor Mike and I, as troublesome as both of us are to the credit men of this town, we wouldn't change places with some of our rich because they don't get the fun out of life that we do, and so, just because Mike told me about this, I wrote it for him.

I'd rather be the willing horse
That people ride to death,
Than be the proud and haughty steed
That children dare not touch.
I'd rather haul a merry pack
And finish out of breath
Than never leave the barn to toil
Because I'm worth too much.

So, boast your noble pedigrees,
And talk of manners, if you please;
The weary horse enjoys his ease
When all his work is done.
The willing horse, day in and out,
Can hear the merry children shout,
And every time they are about,
He shares in all their fun.

I want no guards beside my door
That pick and choose my friends for me,
I would not be shut off from men
As is the fancy steed;
I do not care, when I go by,
That no one turns his eye to see
The dashing manner of my gait,
Which marks my noble breed.

I am content to trudge the road,
And willingly to draw the load,
Sometimes to know the spur and goad,
When I begin to lag.
I'd rather feel the collar jerk,
And tug at me the while I work
Than all the tasks of life to shirk,
As does the fancy nag.

So, let me be the willing horse,
That now and then is over-tasked.
Yes, let me be the one the kids
Can freely dare to ride.
I'd rather be the gentle steed
Of which too much is sometimes asked,
Than be the one that never knows
The youngsters at his side.

On level road or up the hill,
Pile on my back that burden still,
And run me out of breath;
In love and friendship day by day,
And kindly words I'll take my pay.
A willing horse—that is the way
I choose to meet my death.

(Applause.)

Then, in conclusion, you know, I got to thinking about this life one day and it occurred to me that while it is more or less of a game, it's also a pretty rare privilege, and in connection with that came the thought that a lot of people did a lot of mourning for the dead, but if I had a great many tears to shed, I think I'd shed them for the folks who never have been born yet, because it occurred to me that the dead at least have known this world, they have seen the sun and the trees and the roses and the kids and everything that goes to make this life glorious, but those who so far have not yet come into the world don't know what a fine place it is.

So I worked it out that

It's no little thing to be assigned on earth to play the man,
To live and breathe and feel and see and share in God Almighty's plan;
Tis a privilege to live, however humble be the role,
Which life into your hands may give, and to be trusted with a soul.

How many, yet unborn, have sought admittance to the Gate of Life?
Beyond the realms of human thought, now many crave the joy of strife?
How many there have never seen the splendor of a growing tree,
Gowned in its summer robe of green, nor heard the music of the sea?

I pity not the dead that were, nor grieve for them that soon shall die,
For they have seen the blossoms stir with every breeze that travels by,
And they the breath of life have drawn, and walked the fragrant ways of earth,
My sighs are all for those unborn, who have not known the thrill of birth.

How many countless ones remain, to prove their fitness for this life,
Still lacking strength to bear its pain, or courage for its hours of strife?
How many wait from day to day, as on and on the ages roll,
Seeking the words from God that they may be entrusted with a soul?

What matter it that pomp and fame? What matter worldly gain or loss?
Christ out of Heaven gladly came to suffer death upon the Cross;
And we, that Life's broad highways plod, and claim the joys the mornings give,
Are honored by Almighty God, in that we are privileged to live.

And then, in conclusion, a little hit that I wrote for myself, thinking somewhat along the same line, and that was that at the finish of this little journey that I'm making, if St. Peter or

somebody there (maybe it will be Mike Rice. I hope it won't be because I want him to come up behind me, I want to get in ahead of him a little because there's one or two things I want to tell them about that he may not have heard) if somebody should meet me at the gate and say, "Eddie, what did you do down there?" I don't want to say, "Well, I just ate my meals and laid around."

"Didn't you do anything else at all?"

"Not a thing. Just ate and lived."

I want to be able to just look that fellow in the eye and say, "Old fellow, I don't want to talk about myself up here, but there are one or two back there who feel a little bit sorry that I'm not there."

I'd like to think, when life is done,
That I had filled some needed post,
That here and there I paid my fare
With something more than idle boast;
That I had taken gifts divine,
The breath of life, and manhood fine,
And tried to use them now and then
In service for my fellow men.

I'd hate to think, when life is through,
That I had lived my round of years,
A useless kind that leaves behind
No record in this Vale of Tears;
That I had wasted all my days,
By treasuring only selfish ways,
And that this world would be the same
If it had never known my name.

I'd like to think that here and there
When I am gone, there shall remain
A happier spot that might have not
Existed, had I toiled for gain;
That someone's cheery voice and smile
Shall prove that I have been worth while,
That I have paid with something fine
My debt to God for life divine.

Thank you, very much. (Very hearty applause from audience standing.)

THE TOASTMASTER: I never feel so much like making a speech in my life as I do when Eddie Guest gets through talking and that's why I hate to be a Toastmaster; I hate a Toastmaster's job and when Eddie got up here and said that he was asked to be Toastmaster, he lied; he and I lie like that all the time. He wasn't asked to be Toastmaster. (Laughter.)

I hate to be Toastmaster, but Eddie and I have consumed more victuals on this same platform, I think, than any other two men in this town and it's always my privilege to get a start after he gets done. I can't do it tonight, and that's why I don't like this job and never expect to do it again. I don't want you ever to ask me or anybody else around the town ever to ask me to be a Toastmaster again as long as I live in this town.

But I love Eddie Guest, and everybody loves him. I have heard him introduced as the James Whitcomb Riley of Michigan. He isn't the James Whitcomb Riley of anywhere; he's Eddie Guest, and he's not like anybody on earth and he's going to make all the rest of 'em sit up and sit up a long time to keep up with him if he keeps on—and he is keeping on. He's a great, good man. (Applause.) He's just as full of that, he could do that all night here if he had time.

I want to present now to you a very interesting telegram that we have just received. The whole of Memphis blew up, and I received a telegram here when they found out that you had elected this man with this unpronounceable name here for President for next year (for nobody knows how to pronounce it. I've heard seven different pronunciations since I've been sitting here and I've heard him pronounce it three different ways himself):

"Hurrah for Memphis! Congratulations!"

And I present to you the congratulated, who said he would not make a speech, but I want you to see his fine face.

Mr. Lawo rises and the audience stands up and applauds and cheers, and calls for speech.

MR. LAWO: Mr. Toastmaster, Ladies and Gentlemen: I received a letter from Mr. Schick some time ago asking me to appear on this program tonight, and my name doesn't appear, so you know what my answer was. Since that time I have been approached by Col. Blackstone and Secretary Woodlock, but gave them the same answer, and after Dr. Rice said a while ago that you would hear from me later, I got his promise to not call on me.

Now, Col. Blackstone said something about confidence. The credit men are always preaching confidence, especially in each other. You can't co-operate without confidence in each other, but after what I have gone through, if it were not for the reputation for veracity that these gentlemen have, I'd be inclined to put them in the class of the little boy down in Galloway, Tenn.

We have in our delegation two gentlemen, one of whom, Mr. Bryan, is the owner of an automobile agency in Memphis, the other, Mr. Canale, is an active director in one of our banks, but they find time to do a little legal work on the side. They happen to be joint counsel for a man that had a case against the railroad. They won it easily in the lower courts and it was appealed to the Court of Appeals in Cincinnati.

When they got to Cincinnati they expected to have the same success, but after the railroad had put on its witnesses they saw they had no chance at all. (Now, I don't know whether any of you have heard about this case or not; it has become so famous that you may have heard about it and this won't be news to you, but they told it when they got back to Memphis.)

After the witnesses had put up the clearest kind of a case for the railroad, one of them, I don't know whether it was Bryan or Canale, asked the Judge for permission to tell a story that had a Biblical connection. They said that no matter how the story sounded they didn't mean any reflection on the counsel for the railroad. The Judge gave permission and they went on to tell about a Methodist revival down in Galloway, Tennessee.

One of the good members of the church had asked permission of the church to take care of the bishop, who was to spend the week during the revival in Galloway. They readily gave it to her and the bishop arrived on time. She told the bishop that she had a little nine-year old son who was bright beyond his years, that all the town knew how bright he was, but he had a terribly bad habit of telling falsehoods that were so extreme that on their very face they were falsehoods. She asked him if he wouldn't say something to the boy and try to correct the habit.

The bishop, of course, was very glad to promise to do so. At the first opportunity he got Johnny over in the corner, and said, "Johnny, did you ever read the Bible?"

"Oh, yes, Bishop; I had read it from cover to cover three times when I was four years old. I had the reputation of being the best Bible scholar in our Sunday school class."

The Bishop was, of course, greatly surprised. He didn't think the boy could tell them that big.

"Did you ever hear of Ananias?"

"Oh, knew him personally."

"Knew him personally? Why—do you know what happened to Ananias?"

"Oh, yes; they killed him. I was present at his trial. I interceded with the judge for him, but it didn't do any good."

The bishop said, "Who else was present at that trial?"

Now, it was Ananias' wife that the boy mentioned, but I'm not a Bible scholar myself and I've forgotten the name. I was telling Col. Blackstone about this but I won't do what he advised me to do, without this explanation. He said, "Whenever you tell a story about the Bible and you forget a name, and it happens to be a lady, just say Jezebel and there won't be anybody that knows the difference," (laughter) so

for convenience sake I'll say that the little boy said, "Why, yes, Jezebel was there. I took her home from the trial."

The bishop saw he had a hard proposition and he made no further efforts with the boy, but later on the boy's mother asked him whether he had had a chance to talk with the boy and the bishop told her yes, and she said, "Well, what do you think of the boy, bishop?"

"Why, your boy has a wonderfully bright future."

Of course the mother was greatly elated and asked, "In what line, bishop, will the boy be so successful?"

And he said, "As a witness for railroads." (Laughter and applause.)

Just before I came to Detroit, about a week before, there was a meeting, one of the regular weekly luncheons of the Lion's Club. On that occasion there were a number of young ladies, guests of the club. The President using a method different from that of Dr. Rice, came to me and quietly asked just before the luncheon began whether I would say a few words of welcome to the ladies. But I declined, telling him I didn't feel equal to the occasion. There were four at my table and of course the other three heard this request; no others heard it.

At the proper time, one of the members arose and said: "Mr. President, Ladies and Gentlemen: If there is a man who would not be sufficiently inspired by the presence of these ladies to be able to say something, he is not much of a man." (Laughter.)

Of course those at my table gave me the laugh, but the man who spoke has never found out that he was second choice. (Laughter.) The President later assured me that he was not directing his remarks at me. Tonight I was not given an opportunity to decline, but would not have done so, for I can say with the gentleman about whom I have just spoken that the poorest speaker would be sufficiently inspired by these charming ladies in the delegation from Memphis and New York and other cities to say something.

And this wonderful city of Detroit is in itself an inspiration. It has been most correctly termed the dynamic city. A city that has gone ahead of such places as St. Louis and Cleveland is most certainly wonderful.

Its people have been most excellent hosts to us. The warmth of their hospitality could not be exceeded.

I want to ask everyone who is not a Detroiter and who agrees with me that there is no finer city in the country than Detroit please arise, and I will sit down.

(Audience stands up and applauds.)

THE TOASTMASTER: I want to present to you now a woman. I take very great pleasure in presenting to this company a lady from the South. Mrs. Hopp will now address you.

(Applause from audience standing.)

MRS. HOPP: Mr. Toastmaster, Fellow members of the Association, Ladies and Gentlemen: Being the only delegate from my city, although I am a lonesome representative, I come from an important dot on the map, Fort Smith, down in Arkansas.

In explanation of my loneliness, I will say that the credit managers in our part of the United States are as yet a minus quantity, and yet there is just a little bit of Arkansas in every home on the American Continent today.

In explanation of this statement, I will say that the largest deposits of bauxite in the United States are located in Arkansas and or bauxite, aluminum is made. Therefore, in the pots and pans of the kitchen of every American home we find some aluminum; therefore, some Arkansas.

Fort Smith is surrounded by the largest coal fields in the United States. Fort Smith ranks among the first cities of the country in the manufacture of furniture, having large tracts of hardwood timber close at hand. Natural gas is sold to our manufacturing interests at from eight to ten cents per thousand cubic feet. In Fort Smith we have a daily surplus over and

above the requirements of our community of three hundred million cubic feet of natural gas. Therefore, I am pleased to have brought to you a small part of that surplus. (Laughter.)

I want you to know what a wonderful effect this association has had upon the credit business of our town. In former years it was a very easy matter for anyone to obtain credit. There were no credit managers; the owners of the businesses had to say no to the applicant. Therefore, much money has been lost in saying yes carelessly.

Now, since we have organized a Credit Managers' Association, things are different. In June, not over sixty days ago, I glanced at a copy of the Credit World for the first time. I then resolved that we should organize a local to this association. At our first meeting we had five. At the next meeting an attendance of eleven. At the next meeting, fifteen were present.

They were not all credit managers like this distinguished assembly, but they were the owners, the bookkeepers, or those who had charge of the accounts, and now at each meeting there is not only an increase in attendance, but an increase in the interest shown in the discussion of persons and topics. When we started talking, although the women are in the minority, it is very hard for us to stop.

We could not call ourselves a credit men's association on account of my being a member and one other lady member, an owner of a business, so ours is known as the Fort Smith Credit Managers' Association. At a recent get-together luncheon of merchants and credit managers, we had an attendance of seventy-five.

I simply tell you all this so that you may know we have aroused interest in our community. We have given publicity to our meetings in the daily papers; we have written letters to our slow pays and past due, urging them to get in the band wagon and be rated No. 1 by our association, and the rush has been very noticeable. Increased collections are remarkable, not only with members, but with every merchant in the city who is not a member.

This all goes to show that by organization and co-operation we can accomplish wonders when we all work along the same lines. I would not sell my card of membership in the National Association for any price. I regard the day I first glanced over the Credit World as the luckiest day of my business career. It's going to bring splendid results to our town.

In my long service of fifteen years with the Merchants' National Bank of Fort Smith, I learned that the daily tickler system has a splendid method of collecting past due notes, but I am not here tonight to tell you how I run a credit department, for you are all older in experience than I. Suffice it to say that to get perfect results, we must systematically follow each promise to pay and keep each line of credit within its prescribed limit. Failing to do this, we are finally lost in the woods.

Whether costs go up or down, whether labor conditions get better or worse, whether interest rates go higher or lower, whether banks call in their loans or extend renewals to merchants, the fact remains that credit will go on forever for the retailer. By extensive and intensive organization, we can so improve our credit business that none but the worthy shall obtain credit and at some future sunrise, perhaps long distant future, there shall be no such thing as an extreme charge-off.

I make a plea for more women credit managers. It has been proven that they are a success. None can deny that most of the charge customers of our department stores are women and the heart-to-heart talks of the woman-to-woman are productive of better results than those of a man credit manager to the woman customer. A woman user that delicate tact so necessary in acquiring the desired information. She does not make her questions so pointed that the customer feels as though she had been put through the third degree on leaving the credit office. (Applause.) Many a timid woman would rather leave the store or pay cash than

to go back to the credit office. I have known of instances in our establishment where a customer, having no charge account, upon being referred by the sales person to the Credit Department has refused to come back until she was informed that she was to speak to Mrs. Hopp. Then it was different and she was not so afraid and many of my best friends and my best customers have been made in this manner.

Women of business ability and stick-to-it-iveness can accomplish results equally as satisfactory as men. I do not say that we can surpass you, but we can run you a close race. All we need is confidence in ourselves to do and make others do as they have agreed. Let us hope for more women credit managers in the future.

In closing my remarks, I wish to say that I regard this one of the happiest occasions in my life. I feel it an honor and am proud to be associated with a body of men and women who are the very bulwark of the commerce of this great America. To show you how we stand with the world, to show you we are the world's best friends, I am giving you a poetic definition of the word credit which I have taken from Mr. Edgar Guest's poem entitled "Debt," with the word "debt" changed to "credit." It listens all right.

There's no truer friend than credit,
Wisely made and fairly met—
Credit, which marks a distant goal,
Is a builder of the soul.
Credit, which means some worthy end,
Is a staunch and loyal friend.

Credit's a pledge that you will stand
Firmly by your native land,
Credit becomes your guarantee
That you will keep faith, and be
In your dealings, fair and just,
On that all the world can trust.

Mark the citizen as he
Plans for joys that are to be,
By his credit his worth is known,
There's the home he hopes to own,
Here's the patch of ground which he
Says that some day his will be.

There's a purpose running through,
Every task he finds to do,
On his shoulders lie a care,
Which he did not have to bear,
And he toils from day to day,
For the credit which he will pay.

Credit has proved that men believe
In your purpose to achieve;
And it eloquently speaks,
If the better things you seek.
Wisely made and fairly met,
There's no truer friend than credit.
(Applause.)

THE TOASTMASTER: It becomes my pleasure at this time to present to you another of our Detroit men so well known in all our conventions, especially on the salesmen's convention work. Among our salesmen and in the salesmanship work, we have no one in our city who is better known and who has done more constructive service in the running of salesmanship classes and instruction in it than the gentleman I am now about to present to you, whom I take great pleasure in presenting to you—a personal friend of mine and a splendid force in our city, Mr. Rice-Wray, who will now speak to us. (Applause.)

MR. RICE-WRAY: It isn't easy for a salesman, I assure you, to talk to a bunch of credit men. It's almost traditional that we have been on opposite sides of the fence. And, of course, we salesmen have always had our opinion of you fellows, too.

I came down here tonight thinking of you as a bunch of cold-blooded, wet-blanket guys that, as Dr. Rice says, spoil the business that we salesmen get. I sat down here and saw more pep than I've ever seen at a dinner that I ever attended, I'm sure. (Applause.) How you got it in a city that's as dry as Detroit Police Com-

missioner says Detroit is, is beyond me—or was until I rapidly turned over the pages of your program and found there wasn't any meeting scheduled for this afternoon and that you'd found the way to Windsor. (Laughter.)

You know, speaking of Detroit and its entertainment values, reminds me that Dr. Rice isn't any less well-known, perhaps, than our famous Eddie Guest. He, too, has a national reputation and the story runs (I have never definitely accused him of this but—well, you can ask him yourself), the story is going around town that a very good and devout lady who is a member of his denomination recently wrote to Dr. Rice and she said that while she had never met him she had heard of him and she knew she could rely upon him for advice that she now so greatly needed.

She said that her boy, her pride and joy, had been offered a position in Detroit at \$25.00 per week. She felt that going into the city with that much income represented great danger to his life, and she wanted to know what Dr. Rice's opinion was of the desirability of allowing this man to come to the wicked city of Detroit and draw \$25.00 a week.

Now, Dr. Rice is noted for brevity as well as wit, and he wrote back to the lady:

"Dear Madam:

There is nothing in the situation at present in Detroit that need cause uneasiness so long as your boy gets no more than \$25.00 a week."

(Laughter.)

As an illustration of the mental attitude of the general public toward the credit man, when I walked over to the hotel this evening I was mentally casting up and calculating how many unpaid bills there were in my bill folder at the office and what kind of a reception I'd get and what the fellows that have my name on the list would say to me. I walked through the folding door and hadn't any more than set my foot in the door than I got a bang in the side of the head and I turned around ready to fight. There was a fellow bowing and bowing to me and making signs and bows, he didn't want to fight; but I'd just like to know if there is any fellow here that's attending two conventions and whether his motion (imitates deaf-mute sign language) means "Please settle." (Laughter.) I have my suspicions.

At any rate, without regard to the vigor of any such collection methods, I am wondering if the attitude of the public, the mental attitude of the public in general toward the credit man, isn't justified by the mental attitude of the credit man toward the public.

Mental attitudes count for a lot, and I doubt very much whether it's possible for the credit man to take the attitude toward the public which the lady that preceded me recommended. I wonder whether you think much about the sales phase of your business. I wonder whether you ever think of yourselves as salesmen. Yet, I believe you are. We fellows who are interested in salesmanship have got away altogether from that old idea that salesmanship was a razzle-dazzle deceptive method of getting orders and have got down to the principle that salesmanship is merely creating ideas in the other fellow's head. That's all we call statesmanship these days and we have tried to take away from it all of the mystery and all of the deception and all of anything which makes for anything except sound, solid business and customers that will stick to the house to kingdom come because they have been sold the goods on the right basis and because they have given the customer a true idea of what that house is trying to do in its merchandising principles.

That is our idea of salesmanship today, just getting ideas across to the other fellow. We take, indeed, the facts which you fellows manufacture and go out and spill 'em to the other fellow and we believe that if we can make the other fellow think what we want him to think, then he will do what we want him to do.

Now, to get back to this mental attitude idea for a minute, credit manager sits there and he

takes up this order. "Is it good or isn't it good?" It's up to him to decide. His word is final. He sizes up the facts and the evidence and gives his decision; by the very nature of his work he is almost forced into what, let us call, a judicial attitude. It's his job to decide. If any sympathy enters into the transaction, it enters in because of a sympathy for the house's record, for the house's money and a percentage of lost bills, percentage of no good accounts.

I looked through this program very carefully this evening to see what there was about the credit man as a business builder and all I found was down here on Wednesday afternoon, just one item about business building from the credit standpoint.

You know, I believe that the whole sales organization, the whole retail organization, must necessarily be a sales proposition. We salesmen are all being sold on the fact that no order is an order until the money on that order is paid. In other words, we believe that your job is a part of our job and that the fellow that collects the money is no less a salesman than the fellow that gets the order.

I think it's true, as the preceding speaker has said, that most people that go up to interview the credit man, no matter how good they are, go there in fear and trembling. They go there wondering what that guy is going to think of them and that attitude in itself reflects on the credit man.

One time in one of my classes a young fellow got up and said, "Mr. Rice-Wray, what is the best way, how do you make friends in this world?" And you know, it was written all over the boy's face. Why? He needed to find a way to make friends, and as I looked at him the answer popped right into my mind, "Be one," and I earnestly believe that there is nothing truer in human psychology than that the world reflects to us as from a mirror the attitude that we hold toward the world.

If there is an idea that I would like to sell to you folks tonight it's the idea that you sell to the customers of the house an attitude of kindly co-operation instead of judicial sentence. Further than that, I feel that the credit man has an opportunity in this organization to sell to the customer the ideals of the house. I am here to tell you, my friends, that a house without an ideal isn't going to get very far and whenever a house, no matter how big and strong financially or how much business it does, loses the central ideal behind its business, that house is doomed to decay and die, and we find in the sales organizations that we've got to dig and lay hold of that great big ideal which moulds the policy of the house, an ideal usually formulated by one man just as you've got to dig out and get the ideal behind this organization. There is one in every organization if it's any good. You've got to dig out and lay hold of that ideal and in your dealings with the customer get that across to him as you'd like your salesman to get it across when the order is placed.

Burton Brawley has written a little poem about the thinker which always appealed to me tremendously because it illustrates the importance of this ideal as a driving power in business. He says:

Back of the beating hammer,
By which the steal is wrought,
Back of the workshop's clamor,
The seeker may find the thought—
The thought that is ever master
Of iron and steam and steel,
That rises above disaster
And crushes it under heel;
The drudge may fret and tinker
Or labor with lusty blows,
But back of him stands the thinker,
The clear-eyed man who knows.

For into each plow or saber.
Each piece and part and whole,
Must go the grains of labor
That gives the work a soul.
Back of the motor's humbling,
Back of the belts that sing,
Back of the hammer's drumming,

Back of the cranes that swing;
There is the eye which scans them,
Watching through stress and strain,
There is the mind which plans them,
Back of the brawn, the brain.

Might of the roaring boiler,
Force of the engine's thrust,
Strength of the sweating toiler,
Greatly in these we trust.
Back of them stands the schemer,
The thinker who drives things through,
Back of the job the dreamer,
Who is making his dreams come true.

What is the dream behind your organization? My friends, it was men working on the ideal of this big organization that got your 67 per cent of increased membership last. That is what put it across, and I want to tell you that it's the ideal behind the house of each individual member of this organization that can make it great in the minds and hearts of the people.

When you stop and consider that this organization is lending millions and millions of dollars every year without security to the public of this country, why the banker's job is a joke alongside of that. Dealing in human nature, if you please, and I beg of you if I can pass anything to you it's the idea that you can sell human nature ideals, you can sell human nature principles of conduct.

You know why Mike Rice is loved and known and called Mike Rice in this community? Why, bless your hearts, it's because he sells eternal salvation from his pulpit, he doesn't sit up there and judge the folks that are in his church, he's the premier salesman of right living and eternal salvation in this community. I don't believe you've got anybody to beat him in your town. (Applause.)

Millions on confidence in human nature! Millions! I don't know how much a million dollars or a billion dollars is any more than he does, but it reminds me of the youngster that came home from school one day and as Eddie Guest says, Father was waiting. The kid had been kept in school. He was very, very late and the Father said, "What kept you so late?"

"Teacher kept me in."

"Well, you must have been a very bad boy to get kept in. What did you do?"

"I didn't do anything, it was all your fault."

"My fault? Why, what do you mean?"

"Well, last night when you were reading the paper I asked you how much a million dollars was and you said it was a hell of a lot of money. That ain't the answer." (Laughter.)

I've had a little experience in credits and I've had a little experience in collecting and I want to tell you, friends, that it's my firm belief that there isn't any essential difference between my job and yours, and that a closer co-operation, a closer building up of the other fellow's effort, will accomplish more in your job than discipline. (Applause.)

I firmly believe that 99 per cent of the people in this country want to be honest and the rest wish they wanted to be honest. (Laughter.) And I believe when you get a fellow that isn't coming across as he ought, if you will call him into your office and give him a heart-to-heart talk and sell him the immortal principles of integrity and honesty and prompt pay, you will accomplish more than you will by writing him a letter and telling him that he can't trade with your store any more.

I'd like to get that idea across. I'd like to feel that if I have made any impression tonight it's the idea that you fellows are none the less salesmen, only you have a tremendously big and finer grade of goods to sell to the public community than we have in disposing of your products.

I thank you. (Applause.)

THE TOASTMASTER: Now, the next address is that last address on our program, my friends, and at the close of it we will have some songs,

we will have "America," and we hope you will remain and join in singing.

I take very great pleasure in presenting to you, and without any words of introduction at all, for no lawyer ever needs an introduction, especially to a credit bunch. I take very great pleasure in presenting to you the City Attorney of the City of St. Louis, Mr. McDaniels, who will now speak to you. (Applause.)

MR. McDANIELS: Mr. Chairman, Fellow Members (applause) Ladies and Gentlemen: When we drove up to the hotel this morning we saw a great banner on the outside over the door, "WELCOME NATIONAL ASSOCIATION OF CREDIT MEN!" and we saw a great crowd of intelligent, well-dressed, prosperous looking people doing this at one another (imitates deaf mute sign language) and Mrs. McDaniels said, "Look! Those credit men have lost their voices asking the way to Windsor." (Laughter.) But since being here, I learn that Windsor has been brought here. (Laughter.)

Now, I have listened with a great deal of pleasure to this splendid program, especially to the talk of the distinguished lady from Arkansas and Dr. Mike Rice (they call their ministers "Mike" here) forgot his Bible for a moment when he introduced her, because she comes from the only state in the Union that is mentioned in the Holy Bible, because we read that Noah opened the window of the Ark and saw. (Great laughter.)

And we listened here to Dr. Rice tell how poor he was and to Edgar Guest, whom we all honor, whose writings we all read and envy you that you have him as a citizen in your midst, tell how poor he was. You never heard a man that was broke bragging about it in your life. (Laughter.) Go around here and look at Dr. Rice's great church with the great electric sign, "M. R. Rice, Pastor," on it.

I'll tell you the truth about it in my case. I made a will the other day and I named as my pall bearers six credit men of St. Louis. They are here tonight. They have carried me for twenty years already, they'll have to do it the rest of my life and they might as well finish the job. (Great laughter.)

I am reminded of Dr. Rice's first entry into Detroit. He desired to post a letter and he wrote the letter and stamped it and started out to find the post office. He met a newsboy and he said, "Will you tell me where I can find the post office?"

And the boy said four blocks this way and six blocks that way and so on, and Dr. Rice patted him on the back and said, "Young man, see this church?"

"Yes."

"I'm the new pastor at this church. I want you to come to the services next Sunday and I'll tell you how to get to Heaven."

And the newsboy said, "Aw, gwan! You don't even know where the post office is!" (Laughter.)

Now, Mr. Credit Man and Mrs. Credit Man (laughter)—how is it you call it a credit man's association? We're all equal now—it's all a pleasure to be at a meeting of credit men. A credit man must be on his toes every minute, he must be a real thorough business man, he must be up-to-date, he is the safety valve of every business and that is as important as any other part of the machinery. Bright-eyed, quick-witted, intelligent are the credit men out of necessity. They must know all, they must know of business conditions, their fingers must be on the pulse of commerce. They must know of the people in their city, they must read the newspapers, they must listen to the scandal of their city and know of that. If Mrs. Jones, the wife of Millionaire Jones, has been seen out at the club with Billy Smith, they must know that because there may be trouble with Mrs. Jones' account a little later. (Laughter.)

If Billy Smith has been pinched when wheat went down, they must know that because there may be trouble with him a little later. Why, they must know so much I am reminded of our

friend (and by the way, you came to St. Louis for your Secretary, you knew where to get them), Dave Woodlock. (Applause.) Mrs. Woodlock was entertaining company. They had a discussion and they couldn't agree and finally a lady in the party of religious turn of mind, casting her eyes toward Heaven said, "Well, there is one above that knows all," and Mrs. Woodlock said, "Yes, Dave will be down in a minute and tell us all about it." (Laughter.)

A credit man must have all of these qualifications if he be successful, and know all of these things. Now, Dr. Rice said I was City Attorney. I am Circuit Attorney of St. Louis. There is a great deal of difference between those two jobs—something like fifteen thousand dollars a year. (Laughter.) I am also, and I mention this because of the fact that I find it necessary to defend myself and my chief here tonight, I also have the honor, fellow profiteers, of being the Fair Price Commissioner of Missouri. (Applause.)

We get along all right in Missouri. Mr. Pollard is here; how about it, Mr. Pollard? You've been all over the nation in this fair price business, how about Missouri?

MR. POLLARD (Dry Goods Economist, New York): I want to say that Missouri stands about as fair in its fair price interpretations as any State could stand, and I've been in forty-six of the different states investigating the conditions. (Applause.)

MR. McDANIELS: He has my little girl on his lap, if he hadn't said that there'd been something doing right then and there. (Laughter.)

We have had no trouble in Missouri, no trouble in St. Louis, in reference to the high cost of living which has been mentioned here tonight. Why? Because we realized there that fair price meant fair price to everybody, to everyone—the producer, the consumer, the wholesaler, the retailer, to everybody connected with the merchandising of necessities; that is meant fair to all of those and we organized a committee in St. Louis which did fix a price and fixed a margin of profit and on that committee was the representatives of union labor, the representatives of the housewives, representatives of the general public and also representatives of every business interest in prices and they did fix a fair price and a fair margin of profit having due consideration for all businesses, for all those interested in the merchandising of those products, and that's the only way you can act fairly—to take everybody into consideration and deal fairly and justly with all branches.

Your best fair price list is the advertisements in the daily newspapers in your various cities. There is the list for you. Competition will keep the price as low as possible and all the time. At all times will the law of supply and demand make the price. Man can never write a law or never enforce a law that is written that in any way interferes with the natural law of supply and demand, and throughout Missouri and throughout this nation, too, the merchants, the manufacturers, have worked to the end of keeping the prices fair for the public, realizing that that was their natural instinct, that that was what they wanted to do naturally and that way they have made a price list which you read in the advertisements in your daily paper which is as fair as man can make them.

We hear a little less now of the high cost of living. These things are going to work themselves out all right. I was glad to hear the President's talk of optimism. You know what an optimist is, don't you? I will illustrate. He asked us all to be optimists. We must all be optimists. We must be bulls on the future of this nation. A man fell out of the 17th story window of an office building and started falling to the ground. As he passed the fourth floor he saw a friend of his and waved at him and said, "Old man, I'm all right so far." (Laughter.) Now, that man was an optimist, and an optimist is a man that makes lemonade out of the lemons that are handed him. (Laughter.)

For the future we must be optimistic and if we will take a lesson from the President of this

Association's talk, this nation will work itself out of present conditions, as it has in the past.

Another thing that interested me was the fear some people have in approaching a credit man. Don't call him a credit man in your business, for Heaven's sake don't have your clerks and sales people say, "You must go see our credit man." That scares people to death right away. You might as well tell 'em, "Go see the raging lion in the zoo." Not that it should, but it does. Tell them to see Mr. Jackson or Mr. Heller or Mr. whoever the credit man is.

I remember the first money I ever borrowed at the bank. A director of the bank said he'd endorse my note. He said, "You go see the cashier and tell him about it and tell him I will endorse your note and he will fix you up." So I went to see the cashier and he froze immediately and I hastened to say "Mr. So-and-So over there said he'd endorse my note," and the cashier thawed out immediately. I came in and sat down. He said, "How much money do you want?"

And I was so very nervous about it that I said, "How much have you got?" (Laughter.)

That's the way some people feel in approaching the credit man. Have 'em see Mr. Jones or Mr. Smith, and they will feel better about it. When they do see the credit man, they will find him the finest man in the world, but it's like the lawyer's reputation, the politician's reputation.

A lawyer died, but he had money enough to justify him in making a will and when they read his will it directed that a stone should be erected over his grave and on the stone these words:

"Here lies a lawyer and an honest man."

The first man who went by the stone in the cemetery after it was erected was an Irishman and he read, "Here lies a lawyer and an honest man," and he said, "By Golly! They put two fellers in one grave, didn't they?" (Laughter.)

Now, just to get back to the credit man a minute, because I must hurry on and this will be disjointed because the hour is late and the last boat for Windsor leaves at midnight—there is a credit man in this room tonight from St. Louis who is one of the best credit men in the world and to prove it, after every election he scratches off his books the names of all defeated candidates. (Laughter.) He doesn't leave a one on there.

The credit man must have tact. Of all the positions in your business, yours must be the most tactful, meeting every one with tact. I am reminded of a credit man from St. Louis and something that occurred to him today at our hotel. This illustrates tact.

We are in a place where they have public bathrooms, and the guests line up waiting to get into the bathrooms. You who have lived in boarding houses know how that goes, and to show you the wonderful tact of this man, this incident occurred to him:

A lady went into the bathroom and forgot to latch the door. He rushed up, opened the door and the lady was in the bath tub. He said, quick as lightning, and with wonderful tact, "Pardon me, Sir!" and slammed the door. (Laughter.) Now, that's the kind of tact that a credit man should have.

Down in St. Louis we have a wonderful Credit Men's Association. Mr. Heller, its President, is building it up and it's one of the live bodies of St. Louis, one of the liveliest institutions that is making St. Louis a greater and better city.

And by the way, I don't like the reference to Detroit and Cleveland passing us in the census. Maybe you have passed us in the census, but you remember the old fable of the tortoise and the hare. St. Louis is a city of steady growth. Do you know that in St. Louis the foreign-born population is only 18 per cent while in Detroit and Cleveland it is 34 per cent? And in Boston and New York it's nearly 40 per cent.

St. Louis leads the world in many things. Its market for shoes, for Budweiser, for furs, for

hardware and various other things is greater than any other city in the world. Why, a man said to me the other day, "I wondered and wondered why Missouri sent Senator Reed to the Senate and coming out on the train I read a little book published by the Chamber of Commerce in St. Louis and then I knew why Reed was sent to the Senate from Missouri, because the book said, 'Missouri leads in mules.' (Laughter.)

Watch St. Louis. When the Father of Water, the great Mississippi, shall come into its own, when that mightiest of all rivers shall perform the part in commerce it is entitled to, when the dream of fourteen feet through the valley shall be realized, when from the masts in her harbor shall fly the flag of every nation with a mercantile marine, then St. Louis, the city surrounded by the United States, the Show You city of the Show Me state, will step out ahead of Detroit, Cleveland and all the cities in the race for population. (Applause and cheers from St. Louisians.)

It's grand to see the people here from St. Louis and that hustling city of Kansas City, the city on the mouth of the Kaw, from Springfield, the queen city of the Ozarks. If you only knew it, a large part of your convention—not such a large part but a very respectable part of your convention—is made up from people from grand old Missouri.

It is indeed a pleasure to be here and find a lady like Mr. Guest on the program. The lady from Arkansas had chosen one of his poems to end her talk with. I don't see how I could repay the wonderful hospitality of Detroit—wonderful city, magic city that we have seen where they turn out automobiles faster than we do bottles of beer (laughter); I mean bottles of beverage—wonderful city of progress—unless I recited one of Mr. Guest's poems. It is one with a lesson in this reconstruction period, one with a lesson we should take to ourselves. We are now in the midst of this reconstruction.

So much blood has been spilled, so much suffering, so many tears and so much anguish that we should not lose what they purchased by that blood and those tears. Their slogan was "Carry on!" They have fallen and should take up their battle where they left off. We also should carry on.

Mr. Guest's poem:

They spoke it bravely, grimly,
In their darkest hour of doubt,
They spoke it when their hope was low
And when their strength gave out.
We heard it from the dying,
In those troubled days now gone,
They breathed it as their slogan
To the living, "Carry on"!

But now those days of strife are o'er
And the skies are fair again,
But those two brave words of courage
Our lips shall still remain.
In the trials that beset us,
In the cares we look upon,
To our debt we shall be faithful,
We have still to carry on!

Carry on! Through storm and danger,
Carry on! Through dark despair,
Carry on! Through hurt and failure,
Carry on! Through grief and care.
'Twas the slogan they bequeathed us
As they fell beside the way,
And for them, and for our children,
Let us carry on today!

(Very hearty applause from audience standing.)

THE TOASTMASTER: I think, ladies and gentlemen, if you will remain standing we will sing "America." I think this is as good a time as we can find to end this meeting tonight.

"America" is sung by audience.

Adjournment.

FRIDAY MORNING SESSION.

The convention was called to order at 9:30 o'clock by President Blackstone.

PRESIDENT BLACKSTONE: I want to introduce to you Rev. Jacques, who has been very faithful in attending our convention sessions in the morning. I want to state for your information that Rev. Jacques is a Presbyterian minister in charge of over one hundred churches in this district.

PRESIDENT BLACKSTONE: There always comes a time when we must hear something good for the last time in the year. I don't mean this will be the last time that we will ever hear the J. L. Hudson Quartette, but I mean that this is the last time that their name appears upon our program and before you and in your name I wish to thank this most excellent quartette for the services they have rendered in making this convention a success. (Applause.)

Singing by J. L. Hudson Company Quartette.

The report of the Committee on By-Laws will be presented by our President, Second Vice President and our coming First Vice-President, Mr. Nelson. (Applause.)

Because of the length of the discussion taking place in regard to changes in the by-laws, this part of the convention proceedings will appear in the October Credit World.

PRESIDENT BLACKSTONE: The next thing on the program is the presentation of the subject of Regional and State Conferences by Mr. J. W. Lewis, President of the Associated Retail Credit Men of Los Angeles, Calif. Mr. Lewis has already been before this convention, but I am pleased to present him once more. (Applause.)

Mr. Lewis reads paper.

J. W. LEWIS (Los Angeles, Calif.): Mr. Chairman, Ladies and Gentlemen of the Convention: The holding of State or Regional conferences has been the subject of discussion in different sections of the country, especially during the past two years, and we in California have been no exception in this regard.

Our inspiration for the holding of our First State Conference of the retail credit men and credit bureaus of California came at the time when a similar conference was being held in San Francisco last March at which Mr. Tregoe, the Secretary of the National Association of Credit Men, was present, and at which time Los Angeles sent quite a considerable delegation to that conference, twenty-nine in number, of which I had the pleasure and privilege of being one, and including a number of retail credit men of the city.

In consultation particularly with retail credit men in San Francisco at that time, the thought which had been germinating for some time past along these lines culminated in a determination to get into touch with different communities to find out the sentiments in regard to the holding of a similar conference of the retail credit interests of the State.

The response was so immediate and so exceedingly favorable that steps were very promptly taken in both the northern and southern sections of the State for the holding of a conference at the earliest possible date, and Los Angeles extended an invitation to hold the first State Conference in that city.

There had been quite some thought concerning the advisability of forming a State Association, but it seemed to be the general consensus of opinion that the consideration of this matter pro and con should await this conference and be one of the subjects for discussion at that time, and no action was taken in this regard in any direction prior to the holding of the conference.

Our conference was attended by retail credit men and the managers and secretaries of the retail reporting bureaus of the State in quite large numbers and an exceedingly representative gathering took place in Los Angeles last May.

There were not less than 250 present at the opening session of the conference, and at the banquet, which was the concluding feature of the conference, an attendance of approximately 350.

At the closing business session of the conference, the subject of forming a State Association was under discussion and the sentiment in favor of organizing a State Association was so strong that there was no averting it.

It seemed to be practically the unanimous thought that it would be to the advantage of the retail credit interests of California that we should organize a State Association and hold annual or semi-annual conventions—alternating between the northern and the southern sections of the State.

It is our thought that the forming of a State Association will afford an opportunity for much closer co-operation between the different communities within the borders of our State and that it should be particularly helpful along legislative lines, for every State has its own laws to be made and regulated and there is only one way in which to secure the right kind of legislation and that is by the closest co-operation between the different associations throughout the State.

We believe it is exceedingly difficult to secure this co-operation unless there is an organization which links the different associations representing the various communities in our respective States, and we look for much closer co-operation and more valuable achievement through State organization than could possibly be secured in any other way.

Of course, we recognize the fact that in California we have a very large territory to cover, with 1000 miles of coast line and with the two largest cities in the State—Los Angeles and San Francisco respectively—some 475 miles distant from one another.

For States similarly situated to our own, we believe a State Association is undoubtedly desirable and that in practice it is the only method by which to secure the desired co-operation along retail credit lines.

Furthermore, it is our thought that a State Association should maintain a central bureau in charge of the Secretary of the State Association which will act as a clearing house for derogatory information throughout the State, and we believe that if there was such a central bureau operating in every State it would simplify immensely the work of our National office if all derogatory information could be passed from our National office daily, or as often as necessary, to the office of the State Secretary, whose business it would be to pass on such information as would be of value to the various communities in their respective States.

This would mean in actual practice that the National office would send out data of this nature in approximately 48 different directions in order to cover the entire field, but this information would be further disseminated at the discretion of the State Secretary.

As far as the California Association is concerned, the plans for the conduct of the Association have not as yet matured, and there has been a unanimous desire to take no action which might conflict with an organization plans which our National Association might evolve.

An organization, however, has been formed, known as the California Association of Retail Credit Men and Credit Bureaus, and it is expected that the officers and directors of the new association will appoint committees whose duty it will be to fully analyze the situation and bring in recommendations in regard to the maintenance of a central bureau, etc., as well as take steps to build up the membership of the State Association between now and the time of the next convention.

We recognize the fact that some States, while even more largely populated possibly than our own, cover comparatively little territory, and it might be that it would not be best for them to hold State Conferences, but rather to hold Regional conferences, which would include the

representatives of a number of adjoining States, as, for example, a New England conference representing the New England States.

It is not our province to say whether, under such conditions, it would be more desirable to have one association covering those States, or whether it might be more desirable to have a separate State organization, although holding Regional conferences representing a number of different States; but we do believe the more uniform the plan of organization the better it will be, and would like to see an organization plan developed and endorsed by our National organization which might apply equally to all sections of the country, California included, and if such an organization plan can be developed in such good season as to have its bearing upon any steps which are taken by the California association, we are quite sure, while speaking without any definite authority, of course, that it would be the unanimous desire of the retail credit men of California to work in the utmost harmony with any organization plan which our National Association might develop.

It was a matter of great regret that National President Blackstone was unable to accept the invitation which was extended to him to preside over the First State Conference of retail credit men and credit bureaus of California, and it was undoubtedly in deference to the fact that our National Association had not made any recommendations in regard to an organization plan for State Associations that no more definite steps were taken by the California Association than have been taken up to this time.

The desirability of the State Association appeals to us very strongly, and we believe it is only logical that an organization plan should include local associations, State associations and a National association, each suitably linked the one to the other in proper and logical affiliation.

We do not believe the organization of State Associations would in any way detract from the value of our National organization, or our loyalty thereto. We believe rather that recognizing the advantages of State organization and appreciating the opportunity of attending the State Conferences will only serve to stimulate a desire to attend our National gatherings and add to our appreciation of the value of organization, whether National, State or local.

We believe it might be desirable ultimately for delegates to our National Convention to be selected by our State Associations and possibly for the expenses of delegates to be handled through our State Associations rather than through our local organizations. But these are matters of detail which call for careful consideration, and can be gradually developed. In so far as California is concerned, we have, and we are proud to have a State Association, and we hope the forming of this Association will not only be exceedingly valuable to the Retail Credit Men and Credit bureaus of our State, but that it will prove exceedingly helpful to the Retail Credit Men's National Association of which we believe every charter member of our State Association is a member.

PRESIDENT BLACKSTONE: Is there any discussion on this subject? If not, the paper of Mr. Lewis will be transmitted to the incoming Board of Directors for their information and guidance at such time as may be convenient for them to give it the consideration that a question of this kind is entitled to. Will that be satisfactory to you, Mr. Lewis?

MR. LEWIS: Certainly.

PRESIDENT BLACKSTONE: The next thing on the program this morning is the report of the Committee on Co-operation with Mercantile Agencies, Mr. George Waterford, National Director from New York City, Chairman. (Applause.)

MR. WATERFORD: Mr. President, Ladies and Gentlemen: We are now two hours or over late on our program, and, in deference to our President, I will read this as quickly as possible. This Committee recommends to the incoming Board of Directors that they take up this mat-

ter, to form a committee for the purpose of handling this very important subject.

Mr. Waterford reads report.

Mr. President, Ladies and Gentlemen: In submitting the report of the Committee of the Credit Men's National Association, relations with the Mercantile Agencies, your Committee regrets that it was unable to attend a conference which was to have been held in Chicago with the conciliation and arbitration committee of the combined bodies.

Therefore, we are compelled to present conditions submitted to us from various sources without investigation or arbitration. Believing this procedure will produce a discussion upon the floor of the convention, the outcome of which may be for the benefit of the Agencies and Bureaus, and a better understanding by them of the credit man and his problems.

At the convention of the R. C. M. N. Association held in Cleveland in 1917, Mr. J. R. Chilton, the President of the National Association of Mercantile Agencies was introduced to our body, during his speech, he made the following significant remark, "The Credit Men must have what they want and it is up to the Agency to give it to him." He continues further by saying, "That if the Agency does not give you that service then you must get that service by forming a bureau of your own."

Fortunately these were the remarks made by the then National Association of the Mercantile Agencies. Again we find during the same convention, the following remarks made by Mr. Radway, of Boston: "The management of an agency consists in rendering a service that will help its subscribers make money on good safe charge account business and to keep them from losing money by extending credit to those who are unworthy."

Also we find the following statement made by Mr. Rauch of the Credit Reporting Co., of Newark: "If they don't know enough to furnish the service that the Credit Man needs, then there is a good and justifiable excuse, and unfortunately the credit man must make his own organization."

Here it is shown to us by three executives of the Mercantile Agencies.

First. The reason for the existence of the Mercantile Agency or Bureau.

Secondly. The alternative of the Credit Man by reason of the failure of the Agency or Bureau to function.

The position of each Association is concisely defined, so as to bring before this convention the necessity for co-operation by the two bodies. We have made copies of the report of the Joint Committee appointed by the Retail Credit Men's National Association, and the National Association of Mercantile Agencies which met in Boston, 1918, for the purpose of investigating into any existing difference between them and between local credit men's association and local mercantile agencies and to suggest a remedy. This report was unanimously adopted by both National Associations. (Report as follows):

Again we have the same subject of co-operation between the two bodies brought up last year at St. Paul when the following resolution was presented:

Resolved, That it is the sense of the Retail Credit Men's National Association that whenever there is a local reporting agency rendering satisfactory service to the members of the Retail Credit Men's Association that such an agency receive the encouragement and co-operation of our organization.

Mr. President, your committee recognizes the rights of the members of each association and that justice is due to each, also the desire of the National Association of Mercantile Agencies to co-operate with the N. C. R. M. Association to the fullest extent. But the numerous complaints against the agencies and bureaus justify this report.

Complaints have come from Peoria, Ill., and New York City against the New Orleans Re-

Mercantile Credit Bureaus, Inc., the Union Credit Reporting Co., Inc., of Baltimore, Md., the Retail Merchants' Association, Wichita Falls, Texas, that charges are made and payments demanded in many cases before a report or reference is received.

Also your committee presents the following recommendation made by the Merchants' Association of Tulsa, Okla., who have certain grievances that there shall be an absolutely free interchange of information between organizations of individuals affiliated with the R. C. M. N. Association. Unsatisfactory reports given by agencies have been a great source for complaint. Investigation has shown that it has taken some agencies as long as four (4) weeks to render reports. It should be the custom by arrangement with agencies or bureaus to have the reference information come through to the inquiring party without cost, until such a time that a bureau or clearing association should be formed.

Notwithstanding the many complaints received about bureaus, your committee desires to comment upon the liberal business-like spirit



GEO. WATERFORD
National Director
New York, N. Y.

of "The Retail Merchants Credit Association of Los Angeles, Cal., conveyed in a letter to a New York credit manager as follows:

"As you have no central clearance bureau and in view of the fact for the time being we would suggest that you note upon your records that inquiries for Los Angeles information be sent direct to us and we will reply to them as completely as possible—gratis for the good of the cause."

It is the opinion of this committee that where there is an association or bureau through which all references are cleared such references be governed by the rules covering such exchange of information.

But where a house or credit man inquires of a given house in another city for a reference upon a particular customer, that information should come direct from the house and not referred to any agency or bureau where a charge will be made.

Respectfully submitted.

MR. ADAMS: Mr. President, Ladies and Gentlemen: I wish to submit the report of the Joint Committee appointed by the Retail Credit Men's National Association and the National Association of Mercantile Agencies for the purpose of investigating into any existing differences between them and between local Credit Men's Associations and the Mercantile Agencies, and to suggest a remedy.

Report of the Joint Committee appointed by the Retail Credit Men's National Association and the National Association of Mercantile Agencies for the purpose of investigating into any existing differences between local Credit Men's Associations and local Mercantile Agencies and to suggest a remedy.

Recognizing that the best interests of the merchants can only be conserved through perfect harmony and co-operation between the local Credit Men's Association and that the National Association of Mercantile Agencies and that the interest of the Credit Men and merchant are at all times paramount, and that the operation of the Credit Bureau and the Mercantile Agency's unhampered confidential plans are absolutely essential in promoting the highest degree of efficiency, co-operation, benefit and protection between the two organizations, and with this purpose uppermost in mind, your committee herewith offers its findings and submit the following preamble and resolutions for consideration and action and petition the National Bodies of Retail Credit Men and Mercantile Agencies to enact this same into legislation by concurrent resolution.

This committee recognizes the rights of the members of each association and that justice is due to each, therefore, be it

Resolved, That agencies and bureaus duly recognized by the boards of each National Association, shall interchange reports and information at the regular terms and rates thereafter adopted or agreed upon; be it further

Resolved, That individual members of the Retail Credit Men's National Association shall have the same interchange privilege for reports and information directly through the local or any foreign agency or bureau officially recognized by the two National Association Boards at the regular rates and terms established.

Whereas, The best interests of the merchants and the fullest co-operation of the two National Associations can only be conserved by the recognition of one agency or bureau in any one city; therefore, be it

Resolved, That only one agency or bureau shall be recognized in any one city except where two bureaus and agencies now exist and then in such cases where the Board of the two National Associations cannot effect a satisfactory understanding or agreement whereby to recognize by the two National Boards; be it further

Resolved, That a National Board of Conciliation and Arbitration be created consisting of five members, two members of the Retail Credit Men's National Association appointed by the President annually and two members of the National Association of Mercantile Agencies appointed by the President annually and these to agree on a local disinterested man of recognized standing in the city or town where any friction or dissatisfaction has arisen between an agency or bureau and the local Credit Men or Association, and that this National Board of Conciliation and Arbitration shall report their findings to the Board of Directors of each National Association for final decision, and the agency or bureau selected by concurrent action of both boards shall be recognized as the official representative of both associations.

The duties of this National Board of Conciliation and Arbitration will consist in making a thorough investigation of the situation involved, having in mind always the interests of the merchants or subscribers affected and its findings to be decided by a majority vote of the Board.

The expenses of this Board will be divided equally between the Retail Credit Men's National Association and the National Association

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of Mercantile Agencies and the two contending parties or agencies thereto.

Be It Resolved, That any by-laws, rules or regulations of the National Association of Mercantile Agencies or the Retail Credit Men's Association conflicting or contrary with the spirit and letter of co-operation are hereby annulled.

J. R. TRUESDALE,
F. A. CATHOH,
WM. S. RAUCH,
Com. for N. A. M. A.
S. E. BLANDFORD,
C. F. JACKSON,
ROBERT ADAMS,
Com. for R. C. M. N. A.
August 19, 1919.

MR. RADWAY: Mr. President, Ladies and gentlemen: Ever since the convention was held at Boston last year the officers and Board of Directors of the National Association of Mercantile Agencies have been working on a problem which we believe we have taken care of at this convention. That is the question of bureaus taking information from mercantile agencies and mercantile agencies being in position to give reports to merchants in other parts of the country. At this convention we have passed unanimously a resolution which we will now read:

Whereas, The National Association of Mercantile Agencies desires to co-operate in the fullest measure with the Merchants of America through their credit men and also through the latter's National Association by granting to all merchant-owned and merchant-controlled credit bureaus and also to credit agencies in places where no member agencies now exist, the privileges of its members, and

Whereas, Under existing conditions such cooperation is limited and is contrary to the By-Laws of the National Association of Mercantile Agencies, which said By-Laws cannot be changed at the present convention of the said association, now therefore, be it

Resolved, That the Board of Directors be and hereby is directed to put into operation a plan to be formulated by this convention under which the said bureaus and agencies may become entitled to the privilege of a report exchange system of the National Association of Mercantile Agencies on equal terms with members under a temporary affiliation until the convention of 1920, at which time the said By-Laws may be changed so as to convert the said affiliation into full membership.

PRESIDENT BLACKSTONE: With the consent of the convention, I will pass over the open forum on Systems and the Identification of Charge Customers until after the election of officers. Will that be satisfactory?

Mr. Gray, Chairman of the Credentials Committee, will make a final report for his Committee. (Applause.)

MR. GRAY (Cleveland): The Credentials Committee desires to report to you that they have checked all credentials presented and that they approve the same. The only additional Association credential presented other than those listed was that of Newark, N. J.

PRESIDENT BLACKSTONE: We now come to the election of officers and I will appoint as judge and tellers of the election.

Judge of Election—
J. K. Cuddy.....New York City

Tellers—
John Shirk.....Oklahoma City
D. Sanger.....Washington, D. C.
Mr. Brody.....Detroit
Mr. Cohn.....San Francisco
Mr. Barnes.....St. Paul
Mr. Wilson.....Pittsburgh
Mr. Lieberman.....Memphis
Mr. Younts.....Houston
Mr. Palmer.....Cleveland
Mr. Brooks.....Boston

All in favor of approving the appointment of the Committee give their consent by saying "Aye."

Committee is approved.

The next thing in order is the election of officers for the ensuing year for the office of President, First Vice-President, Second Vice-President and then the Directors. You must indicate whether you are voting for a man for a one-year, two-year or a three-year term. Is that the sense of the convention?

MR. POINDEXTER: I move, sir, that we designate on the ballot the term for the Directors we vote for. (Seconded.)

MR. CUDDY: I rather imagine that would make it rather a burden for your tellers. They can determine but it would take a long time. I don't suppose any two men in this convention would cast the same ballot, and I should think that inasmuch as there is no opposition to candidates who are nominated, that some scheme could be devised whereby one ballot could be cast for the election of all the officers and directors and then some method devised whereby, by lots, for instance, the name selected for one, two and three-year terms could be decided. It's rather an informal way of doing it, probably, but it will save a lot of time.

MR. LEWIS (Wichita): Mr. President, I move that the length of term be determined by lot.

PRESIDENT BLACKSTONE: How do you mean by lot, Mr. Lewis?

MR. LEWIS: That the names be placed in a receptacle and drawn therefrom by a committee appointed by the President.

MR. CHILTON: I substitute that each man draw his own.

PRESIDENT BLACKSTONE: Mr. Poindexter, you heard that amendment. Do you want to withdraw your motion?

Mr. Poindexter withdraws his motion.

MR. KRUSE: It is hardly fair to these men who are up for election to ask them to draw lots. Why not let this convention vote on these Directors for the number of years they ask them to serve?

PRESIDENT BLACKSTONE: The By-Laws and Constitution require a secret ballot.

PRESIDENT BLACKSTONE: The motion is to proceed with the election, the delegates voting for the names that are on the ballot, and then the term of the new Directors be determined by the Directors selecting the names by lot from a receptacle.

MR. KRUSE: May I amend that, Mr. President, that the Directors' term be designated on the ballot by the party casting the vote?

PRESIDENT BLACKSTONE: That was the original motion.

Mr. Kruse's amendment is lost.

We are now back to the motion of Mr. Lewis. I understand, Mr. Lewis, you want the Directors to do the selecting themselves, or do you want a committee?

MR. LEWIS: Have a paper with each term written on it and placed in a receptacle; let them draw the slip themselves and that determines it.

MR. HADLEY (St. Paul): Some of the candidates who will be elected are not present. Who is going to draw for them?

MR. CHILTON: We will have a substitute to draw for them.

MR. LEWIS: I would suggest that our Executive Secretary finish the drawing before the convention.

MR. CHILTON: I will withdraw my motion and accept Mr. Lewis' substitute.

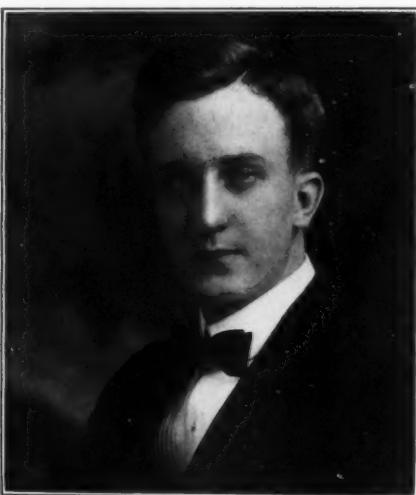
MR. CUDDY: My idea was that this motion of Mr. Lewis, if it passes, someone would naturally arise and make a motion that the Secretary be instructed to cast one ballot for the nominees and after that was done, that does away with the secret ballot.

PRESIDENT BLACKSTONE: The motion is that the delegates cast ballots for the names listed on the ballot and that the candidates select by lot the term for which they are elected. Mr. Chilton suggested in addition to that, that in the absence of any of the newly elected Di-

rectors, the Executive Secretary would in the presence of the convention make the selections for that person. That is the motion as I understand it. Is there any further discussion?

MR. BARR (Lincoln): All parliamentary rules, as I understand them, give the privilege of the body to suspend the rules or suspend the provisions of the Constitution and By-Laws at a meeting of this kind. I therefore as a substitute motion, move the suspension of the rules, of the By-Laws, relating to secret ballot and that a unanimous ballot be held here on the floor by an aye and nay vote and thus expedite the election of these officers.

Motion seconded and carried.



WILLIAM GRAY
Winner of State and Local Membership Trophies
CLEVELAND, OHIO

PRESIDENT BLACKSTONE: Now we revert back to the original motion of Mr. Lewis.

Motion of Mr. Lewis carried.

Now, the thing to do is to have someone, under your original motion, cast the vote for the convention.

MR. BARR (Lincoln): I move that the Secretary cast the unanimous ballot for the nominees according to the ballot as presented here. (Seconded.)

Mr. Barr's motion is carried.

Secretary casts unanimous ballot of Convention for officers and directors presented by Nominating Committee.

PRESIDENT BLACKSTONE: Pursuant to the motions passed and the will of the Convention, as the President of your Association, I declare Mr. George A. Lawo elected President, Mr. E. W. Nelson, First Vice-President, and Mr. John M. Connolly, Second Vice-President, and as Directors, Mr. Sidney E. Blandford, Mr. W. Slater, Mr. W. F. Snider, Mr. J. W. Lewis, Mr. Martin Larson, Mr. Adolf Grasso, Mr. H. J. Burris, Mr. Edward Milner.

(Applause from audience.)

The names of the Directors are placed in one of the loving cups which have not yet been awarded and are on the President's table. The newly elected Directors are invited to the front of the Assembly and each man drew a name

from the cup, the result being the following order of names:

3-Year Term.
Mr. J. W. Lewis
Mr. Martin Larson
Mr. W. Slater
Mr. W. F. Snider
Mr. Sidney E. Blandford
2-Year Term.
Mr. H. J. Burris
Mr. Adolf Grasso
1-Year Term.
Mr. Edward Milner

PRESIDENT BLACKSTONE: Gentlemen, at some conspicuous moment during the afternoon I will present to you your newly elected officers, but in the meantime I will, with your consent, proceed with the program as arranged for this morning's session.

Next on the program is the report of the Committee on Audit.

SECRETARY WOODLOCK: Mr. President, the accountant who is going over the books worked until 2 o'clock this morning and he is not quite through his work.

PRESIDENT BLACKSTONE: The audit has not yet been completed.

We will now proceed to the report of the Committee on Resolutions.

RESOLUTION NO. 1.

Whereas, The Retail Credit Men's National Association was formed for the purpose of furthering sound and mutually beneficial credit practice, and

Whereas, For the purpose of eventual control we fully recognize and advise the ultimate centering of all credit information (and especially derogatory and ledger data) in one quarter in each city, and

Whereas, For reasons of expediency and education this association early in its history advocated the freest of interchange of information between credit men, and

Whereas, We now believe that no appreciable feeling of suspicion or trade jealousy exists among credit men in disclosing all information at hand and that the purpose of this advocacy are accordingly accomplished, and

Whereas, The interchange of credit information direct between merchants or inquiry by merchants direct of references when they have a single common medium of investigation or reporting in practice does not result in this information being placed of record in one quarter for the common good of all; be it therefore

Resolved, That it is the consensus of this convention, from the standpoint of sound theory and practice, that all members or subscribers of merchant-owner or commonly supported agencies, associations or bureaus should obtain all information possible through those channels.

RESOLUTION COMMITTEE,
CHAS. J. NAGLE, Chairman.

Adopted.

RESOLUTION NO. 2.

Whereas, It has come to our attention that the directors of the National Association of Mercantile Agencies have suggested an increase in the purchase price of the interchange coupon from 60¢ to 80¢, and

Whereas, As individual credit grantors we are vitally interested in such eventual organization as will insure the most scientific control of the credit-seeking public, and

Whereas, It appears more essential at this period of the development of a national structure, through which to accomplish this ideal that we anticipate every objection to having as much information as possible flow through agency channels and forge as elaborate and extensive a chain of capable correspondents as is possible, that even should it be shown by some of the members of the National Association of Mercantile Agencies that they are producing reports at present at a greater cost than 60¢ we are convinced that this cost is slight and only true with those situated in larger cities and

that to those members it should be pointed out that some sacrifice is often necessary for the realization of an ideal; and, therefore be it

Resolved, That the proposed increase of the National Association membership interchange fee is ill-advised and inexpedient at this time and that the National Association of Mercantile Agencies in establishing its intermembership relations do so with the broader vision of a great national retail credit and reporting structure so co-ordinated and interlocking as to insure the most exact return of information; be it further

Resolved, That a copy of this resolution be conveyed to the Secretary of the National Association of Mercantile Agencies preceding their convention which convenes immediately following and that the courtesy of their support there-to is solicited.

RESOLUTION COMMITTEE.
CHAS. J. NAGLE, Chairman.

Disposition:

MR. CHILTON: I move that this resolution be referred to the Board of Directors with the power to work this out with the Board of Directors of the National Association of Mercantile Agencies.

(Carried.)

RESOLUTION NO. 3.

Whereas, There exists at this time a variance of opinion and practice as to the reciprocal interchange of reports between bureaus, associations and agencies, and

Whereas, The advocated educational policy conducted by the Retail Credit Men's National Association as to the freest interchange of credit information has been interpreted by certain merchant-owned reporting organizations as applying to their mutual relations as well, and

Whereas, The necessary or overhead cost of conducting a mutual bureau is quite properly distributed among its membership pro rata in proportion to usage or benefit, and

Whereas, The relation of association, agency or bureau one with the other and collectively is and should be co-operative, equally beneficial and conducted on parallel lines for the same reason, and

Whereas, We realize that there is an average cost inherent in the production of a satisfactory retail credit report and that this cost should properly be borne by the association or merchant benefit by the information rather than by the manufacturing association; be it therefore

Resolved, That the Retail Credit Men's National Association places itself of record that from a standpoint of sound business practice and theory interchange between associations, bureaus and agencies should be on a paid basis.

It is understood and made part of this resolution that this organization remain free at least at this time from any advice or instruction as to the amount of this compensation or the method of accounting or payment, leaving this function to the National Association of Mercantile Agencies or the mutual agreement between managers and that nothing in this resolution shall be construed as prohibiting or advising against a mutually free arrangement if expediency so dictates to those concerned.

RESOLUTION COMMITTEE,
CHAS. J. NAGLE, Chairman.

Referred to Board of Directors (motion of Mr. Shirky, seconded by Mr. Cruse and carried for action.)

RESOLUTION NO. 4.

Whereas, This and similar associations of credit men whether local, State or National, were and are formed for greater efficiency, cooperation, education and legislation through interchange of ideas and the encouragement of more scientific methods in dispensing credit, and

Whereas, The concurrent resolution adopted at the Convention one year ago has resulted in complete harmony in the relations between this organization and the National Association of Mercantile Agencies, and

Whereas, Lack of proper organization has made possible the wandering "dead-beat" who has discovered that he can evade the payment of his debts in one community and approach another with a reputation unsullied to repeat the same operation, and

Whereas, It is just as essential that there exist an "Association of Associations" as of the individual credit grantors for identical reasons, and

Whereas, We are all of us dependent as individuals credit grantors upon other communities for much of the information on which credit extension is based, and that we cannot too strongly emphasize the importance to us as individuals of well organized and co-operating reporting mediums everywhere; therefore, be it

Resolved, That our local associations exert their influence in seeing that the management of their reporting medium support the ideals and policies of the National Association of Mercantile Agencies if already a member, and if not, that serious consideration be given to early affiliation with that body.

RESOLUTION COMMITTEE,
CHAS. J. NAGLE, Chairman.

Referred to incoming Board of Directors.

Motion of Mr. Metcalfe of Omaha, seconded by Mr. Cruse and also Mr. Talks of Washington, D. C.

RESOLUTION NO. 5.

Whereas, In a large and growing number, the merchants have been establishing co-operative credit bureaus, and such bureaus are being established at great expense in money and time and labor; and wherever a live, up-to-date co-operative credit bureau has been established the credit men all over the country receive indirectly many benefits, and should lend every possible effort to make such co-operative credit bureaus a success; and

Whereas, In many cities some credit men have the mistaken idea that by writing direct to the credit men of another city, the report they would obtain would be more satisfactory than if obtained through the efforts of the local co-operative association; while as a matter of fact such direct inquiry tends to weaken the local association without any real benefit to the seeker for credit information; therefore, be it

Resolved, That the membership of the Retail Credit Men's National Association adopt the following rule, and urge all credit men to abide by it;

The Retail Credit Men's National Association, desiring to encourage the upbuilding of local co-operative associations, request all credit men receiving inquiries direct from a credit man from any city having a co-operative association to send the answer to the inquiry to the association in the city from which the credit inquiry comes.

Approved,

RESOLUTION COMMITTEE,
CHARLES J. NAGLE, Chairman.

Adopted.

RESOLUTION NO. 6.

Whereas, The National Association of Credit Men in Convention recognizes the collection agency as an essential normal instrumentality in the handling of delinquent accounts, and

Whereas, The value of the collection agencies as a class has been affected detrimentally by methods of certain unreliable and inefficient operators in the field, and

Whereas, All collection agencies are custodians of trust funds and as such are proper subjects for regulation and supervision by law, and

Whereas, The better type of collection agencies have expressed a desire for such regulation as may be needed to eliminate fraud and to establish the standing and reliability of honest concerns in this field; now, therefore, be it

Resolved, That the National Association of Credit Men does hereby pledge itself to demand the enactment of statutes by the several state legislatures designed to regulate and control the operation of collection agencies and declares its

belief that such regulation can best be obtained through a system of licensing contingent upon

1. The giving by the agency of a bond.
2. The maintenance by the agency of a trust bank account for the segregation of moneys.

3. The subjection of the agency books and records to inspection by a duly designated official of the licensing authority, which official shall entertain complaints against and have power of discipline over any licensee, and, be it further

Resolved, That the Association pledges itself to demand the repeal or amendment of any existing statutes inconsistent with this resolution or with effective and successful operation of collection agencies.

Adopted.

RESOLUTION COMMITTEE,
CHARLES J. NAGLE, Chairman.

MR. SHIRK: May I move that the resolution be adopted, referred to the Board of Directors as adopted, and the newly elected President appoint a committee, the number to be as he may think advisable, to work out the plan suggested to bring it before the Legislatures of the various states. (This motion carried.)

RESOLUTION NO. 7.

Whereas, It has been abundantly demonstrated that it is possible to have merchandise returns made within a three days period, and

Whereas, The tendency of many customers is toward a laxity in these matters; therefore, be it

Resolved, By the Retail Credit Men's National Association in Convention assembled, that they strongly favor the continuance of the three business day limit for the return of merchandise.

Adopted.

RESOLUTION NO. 8.

Resolved, That this Convention send greetings to the National Association of Credit Men and its officers with which association the Retail Credit Men's National Association has been on very friendly terms since its organization and we suggest to that association the continuance of the joint committee arrangements of former years, so that the two organizations may continue the more effectively to work together.

Adopted.

RESOLUTION NO. 9.

Adopted by Retail Credit Men's Association.

Whereas, It is our firm belief that the practice of thrift and savings makes for moral strength and contentment, and that waste and extravagance not only cause high prices, but instability and deterioration, and

Whereas, The prevailing prices of Liberty Bonds and Victory Notes make these issues an ideal medium for the practice of thrift and safe, profitable investment, and

Whereas, We believe that lodges and individual members thereof can benefit both their country and themselves by participating in systematized purchase of Government securities, therefore be it

Resolved, By the Retail Credit Men's Association at its Thirty-second Annual Convention assembled: (1) that the subordinate bodies be urged to invest as much of their funds as possible in Liberty Bonds and Victory Notes. (2) That each lodge endeavor to interest all members of the lodge in the purchase of Liberty Bonds and Victory Notes. (3) That the Honorable D. F. Houston, Secretary of the Treasury, be apprised of the action of the Retail Credit Men's Association in adopting this resolution, and of a desire on the part of this organization to have the movement made nationally popular.

Buy W. S. S.

Referred back to committee for re-vamping.
(32nd annual conv?)

MR. CUDDY: In connection with that, I might suggest, it might not occur to the committee, some parts of the resolution refer to Liberty Bonds and Victory Loans, another part is to Government securities.

I should think that it should be made uniform to all Government securities or all to the other. (Referred back to Mr. Nagel.)

RESOLUTION NO. 10.

Resolved: That the Retail Credit Men's National Association go on record as indorsing "National Thrift Week and Pay Your Bills Promptly Day" as conducted annually by the International Committee of the Young Men's Christian Association.

RESOLUTION COMMITTEE,
CHARLES J. NAGLE, Chairman.

Adopted.

RESOLUTION NO. 11.

Whereas, Our Heavenly Father since our last Convention has called to their eternal reward several of the members of this Association, be it

Resolved, That the Retail Credit Men's National Association gathered in Convention desire to express their profound sorrow for the great loss suffered to its association through the decease of its beloved members, and takes this occasion to express its most profound sympathy to their families, their business associates and co-workers. Be it further

Resolved, That our Secretary be instructed to spread upon the records of the Association, a copy of this resolution and express to their families the deep sorrow of this Association.

CHAS. J. NAGLE, Chairman;
S. H. TALKS, Member.

Adopted by rising vote.

RESOLUTION NO. 12.

RESOLUTION OFFERED AT THE NATIONAL CONVENTION OF THE RETAIL CREDIT MEN'S NATIONAL ASSOCIATION.

Whereas, The National Bankruptcy Act was designed among other things to enable honest debtors who had met with financial reverses to obtain a discharge of their debts upon the surrender of their property to the court for equitable distribution among their creditors; and

Whereas, It has come to the attention of the Retail Credit Men's Association that in many cases individuals have obtained credit for personal wearing apparel and other necessities of life without any financial basis for such credit, and without intention to pay therefor; therefore be it

Resolved, That this Association recommends the amendment of the National Bankruptcy Act as follows:

1. That no petition in bankruptcy be filed except where the provable debts aggregate at least one thousand dollars;
2. That no discharge be granted to a bankrupt for such debts as were contracted for personal and family living expenses within four months prior to the filing of the petitions;
3. That failure of a bankrupt's estate to pay a dividend of at least twenty-five per cent upon claims for personal and family living expenses be deemed presumptive of fraud as to such claims;
4. That the burden of proof of the bankrupt's compliance with the requirements of the Bankruptcy Act and of the orders of the court touching his bankruptcy should be upon the bankrupt.

Adopted.

DISCUSSION ON RESOLUTION NO. 12.

MR. CHILTON: I move the adoption of that resolution. (Motion is seconded.)

MR. LAWRENCE: In view of the fact that we had a committee last year that gave considerable time to recommending changes in the Bankruptcy Act, and as this is a very important matter, I don't think this Association ought to go on record, no matter how crowded we are for time, without a discussion.

I would like to hear from Mr. Cuddy, who I understand worked hard for that committee.

MR. CUDDY: Mr. Chairman, I think it was a mistake that I worked hard on the committee. I was not a member of the committee; I had

nothing whatever to do with matters on this subject. I believe the chairman of that committee was Mr. Taylor of New York. I therefore wish to be excused from making any comment.

MR. SHIRK (Oklahoma City): I have been informed that the National Association of Credit Men has prepared an entire draft of the National Bankrupt Act and likewise it is working in conjunction with the Commercial Law League of America. For these reasons, I move that the newly elected President appoint a committee to confer with the committee of the Wholesale Credit Men and the committee of the Commercial Law League of America and this organization have that committee give its co-operation to those two bodies.

PRESIDENT BLACKSTONE: Mr. Shirk, for your information I will state that this resolution was reported to the Convention yesterday by Mr. Taylor and recommended by his committee for adoption by this Convention. That is how this resolution was presented, and that Mr. Taylor's committee has been in consultation with the committee of the Wholesale Association.

MR. SHIRK: You may announce that I withdraw my motion.

PRESIDENT BLACKSTONE: We now revert back to the adoption of the resolution. (Motion to adopt is carried.)

SECRETARY WOODLOCK: Mr. President, that is all the resolutions that have been printed but I understand a number of other members have resolutions they wish to present. If they have they should bring them up now.

MR. LEWIS (Los Angeles): I haven't prepared any resolution, but I suggest that a resolution be prepared extending a vote of thanks of the Retail Credit Men's National Association in Convention assembled to the Detroit Association of sincere thanks for the many courtesies extended to the delegates at this convention. (Applause.)

(Such motion seconded and carried by rising vote.)

PRESIDENT BLACKSTONE: Has any member anything to present at this time on the matter of resolutions? If not, we will proceed to the next order of business.

The report of group luncheon trade conferences by the chairman of the various groups.

MR. NELSON: I have an extended report here, Mr. Chairman, of my general observations of these group meetings, saying what were held, etc., which I think best to hand to the stenographer for inclusion in the records if you so desire. The one thing I would call attention to is that "arrangements made well in advance of next year's Convention for group conferences be held during the entire forenoon of the second Convention day and that luncheon arrangements be left entirely to the wishes of any members who may desire, in their own way, and at their own time, to make provision therefor."

That is all, Mr. Chairman.
Convention Hall, Detroit, Mich., Aug. 13, 1920.
Col. Franklin Blackstone,

President, Retail Credit Men's Nat'l. Assn.

Sir:

The General Chairman of Group Conferences for this Convention has the honor to submit the following report:

Group Luncheons—Trade conferences were arranged for, in advance of the Convention, as follows:

Boots & Shoes—F. E. Kuhn, Chairman, Kuhn, Cooper & Geary, Nashville, Tenn.

Department Stores—D. J. Price, Chairman, W. & J. Sloane, 5th Avenue and 47th Street, New York.

Lady Credit Managers—Mrs. T. H. Daly, Chairman, Eldredge-Reynolds Co., Omaha, Nebr.

Mutual Bureau Managers—S. L. Gilfillan, Chairman, 314 Nicollet Avenue, Minneapolis, Minn.

State Membership Chairmen—John M. Connolly, Chairman, Crichton Bros, New York.

Men's and Boys' Clothing and Furnishings—E. Milner, Chairman, Capper & Capper, Chicago, Ill.

Books, Stationery and Drugs—W. H. Peck, Chairman, Field Stationery Co., Tulsa, Okla.

Banking and Building and Loan Associations—Fred L. Will, Chairman, Northwestern National Bank, Minneapolis, Minn.

Ladies' Clothing, Millinery and Dry Goods—H. J. Burris, Chairman, Berkson Bros., Kansas City, Mo.

Collections, Adjustments and Legal Procedure—Harry R. Hickox, Chairman, Bessemer Bldg., Pittsburgh, Pa.

Plumbing and Electrical Supplies and Service—D. M. Collins, Chairman, Collins Plumbing Co., St. Louis, Mo.

Klines' Stores—H. R. Rathburn, Chairman, Kline Garment Co., 177 Woodward Avenue, Detroit, Mich.

Furniture, Draperies and Floor Coverings—Edmund N. Ray, Chairman, Paine Furniture Co., Boston, Mass.

Musical Instruments, Sewing Machines and Allied Lines—T. P. Foote, Chairman, Knight-Campbell Music Co., Denver, Colo.

Presidents, Secretaries and Officers of Local Associations—E. B. Heller, Chairman, Heller & Livingston Clothing Co., 804 No. Broadway, St. Louis, Mo.

And arrangements were made on the afternoon of the first Convention day for group meetings for the jewelers, with Mr. Max Frankel of Coleman E. Adler, New Orleans, La., as Chairman.

All of the groups originally arranged for, except the "Kline's Stores" groups met for luncheons and conferences on the roof garden of the Tuller Hotel on Tuesday, with a total attendance of approximately 250 persons. The members of the various groups expressed themselves as highly pleased with the opportunity to meet others interested in their particular lines of credit work or Association activity.

The various groups, except "Lady Credit Managers" and "Klines'" and including the Jewelers' Group, held similar meetings on Wednesday and Thursday. Some are reported planning to hold meetings this (Friday) noon, but it is impossible to report thereon at this time, as this report is being submitted to you prior to said Friday noon meetings.

Several of the group meetings were more largely attended on Wednesday and Thursday than on the first day and much interest was taken in the business of the various groups.

The Chairmen of the respective groups were in full charge thereof, subject to the wishes of the members of their group, and will submit their reports or recommendations direct to you.

Your humble servant has the honor to recommend that arrangements be made, well in advance of next year's convention, for Group Conferences to be held during the entire forenoon of the second Convention day and that luncheon arrangements be left entirely to the wishes of any members who may desire, in their own way, and at their own time, to make provision therefor.

The further recommendation is made that the Group Chairmen for the 1921 Convention, cooperating with the President and Secretary, arrange programs for their respective group meetings which shall be announced in at least two issues of the Credit World prior to the Convention and be included in the Convention Program.

Thanking you and all of the officers of the Association, as well as chairmen and members of the various groups who have so splendidly aided in making the group meetings as successful as they were, I have the honor to remain, sir,

Very respectfully,

E. W. NELSON,
General Chairman of 1920 Convention Group Conferences.

PRESIDENT BLACKSTONE: Has the Chairman of any other group conference anything to report?

MR. PRICE (New York): Mr. President, Ladies and Gentlemen of the Convention: It was my pleasure to report to you that the group conference of department stores was very well attended. Each day we had about 85 members and discussed many subjects of important interest, brought up the subject of billing accounts, methods of collecting accounts, and I am sure that the conferences that were held by the department store group were very instructive.

I want to take this opportunity of thanking our Chairman, Mr. Nelson, also the ladies and gentlemen who attended our group. (Applause.)

MR. FOOTE (Denver): I'd like to recommend to the secretaries in the different cities that they get in closer touch with their music dealers. I believe the idea of the credit men here is that the music men are more or less of a cut and dried proposition. I believe we can learn a lot about the way the general stores handle credit and they can learn a lot from us as developed in our meetings the last few days.

On Tuesday our group was so small and the jewelers was so small that we combined. We found, however, that we didn't have so much in common as we might, so the jewelers went off to themselves. The next day, however, we joined with the furniture group and found out we had something in common in that we sell under contract a great deal. Our meeting yesterday did a great deal of good. The consensus of opinion is that we, particularly department stores and other lines of trade, the music dealers are more or less of an outside proposition.

I want to call your attention to the fact that some of the largest businesses in this United States are music dealers, and I was a little bit disappointed not to find representatives from such houses as W. W. Kimball Co. of Chicago or Lyon & Healy of Chicago or some of the other large music houses. I would suggest, therefore, that the local secretaries get in touch with your music dealers in your towns and get them into your associations.

PRESIDENT BLACKSTONE: That's a very interesting report, gentlemen.

MR. HELLER (St. Louis): Mr. Starr of Boston was to make a report for the Presidents' and Secretaries' Conference group. He is not in the Convention hall at this minute and I will just say in that connection, Mr. President, that while the Presidents' and Secretaries' group conference was not so large, we had a very satisfactory meeting—or number of meetings—and I want to say that I think it's a matter that should be promoted, these group conferences, and after coming in contact with the Secretaries and Treasurers, officers of the local associations whom I met at the conference, it accounts for the large attendance at this convention, the success of the National Association and the enthusiasm in the Association depends largely, in fact I will say depends entirely upon the officers of the local associations and I trust that next year Mr. Nelson will arrange in some manner that we will have more time for these conferences.

MR. CHILTON (Dallas): Mr. Chairman, I want to make a suggestion to the incoming board in reference to the Bureau Managers. This year we devoted two days and didn't accomplish anything and we had no discussions on account of some of the mutual-owned bureau men contending that the agency and merchant-controlled bureau men had no right in that meeting, and I would like to suggest for the incoming board to make that so specific that that question shouldn't come before the division. Let it be a division of bureaus, agencies or whatever they might be, so long as they are a member of this organization, and they can discuss their problems together as they are all of the same character, they are mutual interests.

This year we devoted two days and got no good out of the division. We had the largest division in the meeting. I want to make that as a motion, that the incoming board so arrange that there be no question as to where each division belongs next year.

(Motion seconded by Mr. Kruse and carried.)

MR. CONNOLLY (New York): Mr. President, as Chairman of the State Membership group, we met on Tuesday and had an attendance of five members representing five states. We talked generally and were in hopes of getting together on Wednesday and Thursday, but unfortunately I was detained here and I don't know what transpired, but in our informal talk of Tuesday it was decided that the plan now existing under the present administration as to State Chairmen be continued and that we in some way or other try and get in closer touch with the National Association so that we could devise two campaigns, one for the spring and one for the fall, for a national drive; and we hope next year when we come up here we will find 16,000 on that chart instead of 8,000. (Applause.)

MR. GILFILLAN (Minneapolis): Reporting for the Chairman of the Mutual Bureaus group, Mr. Chilton is not wholly informed as to what has been going on. The purpose of calling this group was to get together what we should have called, perhaps the mutual bureau managers. There seems to have been some misunderstanding. We called the mutual bureau managers and extended invitations, as we supposed, to the mutual bureau managers and when we got to the meeting, as Mr. Chilton said, of course, there were a good many agency men there.

The purpose of calling this mutual bureau gathering was to exchange forms and ideas pertinent to our own particular kind of bureaus. In this connection I will say that we did hold two very successful meetings and exchanged forms. However, we decided not to organize any association and we are going to meet with the Mercantile Agencies tomorrow, some of us, and see what can be accomplished generally.

MR. HICKOX (Pittsburgh): Mr. President, Mr. Nelson, Ladies and Gentlemen: The credit men have given us, the committee on collections, adjustments and legal procedure, many excellent suggestions—suggestions that could only be born at a conference of this kind. Hours of discussion have been boiled down into three brief recommendations as follows:

First, your committee believes that the use of the word "credit" by non-credit reporting agencies is a misrepresentation and should be condemned.

Second, it is suggested that this Association condemn the practices of collection agencies, associations or individuals that charge advance contract fees.

Third, it is the sense of the credit and collection men, members of our group, that sometimes the grantors of credit defer too long for their own protection placing their accounts for collection in the hands of their respective attorneys or agencies. (Applause.)

PRESIDENT BLACKSTONE: The report is made in the form of a suggestion and we will receive it with the thanks of the Convention as we do in case of all other reports.

MR. COLLINS (St. Louis): As Chairman of the Plumbing, Heating and Electrical Contractors, I want to say we had one of the most remarkable groups at this Convention. There were two of us, Mr. Harvey of the Smith Plumbing Company of Spokane and myself. I was very much disappointed that we didn't have a better representation from our lofty calling. We are like all the other branches of business represented here, needing co-operation among ourselves.

Nevertheless, handicapped by this small number, Mr. Harvey and myself proceeded to have group meetings. We exchanged ideas and I gave him some of the little nicknacks that we hang around St. Louis and practice and he also told me of the different methods they have in Spokane and I'm going back to the St. Louis Plumbers' Association—I have only to say this, that for eighteen months I was the only man in the local association in St. Louis that represented that great plumbing industry without which these tall office buildings and these hotels and these big structures would be impossible.

During the month just previous to our Convention, I succeeded in adding 21 plumbers to our local organization. (Applause.) Before I came up I was instrumental, after working eighteen

months with our local association, in having a resolution adopted that our association of 156 members join the Retail Credit Men of St. Louis in a body, and when we go back we are going to have some representation in St. Louis, if we don't in the National Convention (laughter), and we will show Mr. Heller and Walford and Jackson that the department stores are not all of the retail credit bureau in St. Louis (applause), and I hope that next year we will have a better representation among those lines that I had the honor to represent as Chairman of this group, and I want to thank Mr. Harvey for all the ideas he gave me.

Thank you. (Applause.)

PRESIDENT BLACKSTONE: We have about completed the program for this morning with the exception of the open forum which you decided to postpone to a later period. Unfortunately for the program arrangements, the report of the Committee on By-Laws consumed one hour and forty-five minutes. We are now, however, fifty-five minutes behind the schedule.

We will reconvene at 2:30.

When I make this reference to the report of the Committee on Constitution and By-Laws, gentlemen, I hope that will not be misunderstood. It is my opinion, as the presiding officer of this Convention, that the changes that you have made in the Constitution and By-Laws of this Association will revert tremendously to the advantage of the Association in its future growth.

The Convention will now stand adjourned until 2:30 and I hope that you will all be here on time.

Adjournment.

Friday Afternoon.

The Convention was called to order at 2:30 by President Blackstone.

Mr. Cohn of San Francisco reads paper written by Mr. James J. Spengler of Cedar Rapids, Iowa, on "Identification of Customers Who Wish to Take Purchases, by Floormen and Employes."

IDENTIFICATION OF CUSTOMERS WHO WISH TO TAKE PURCHASES, BY FLOORMEN AND EMPLOYES.

Jas. J. Spengler, Killin Co., Cedar Rapids, Iowa.

In regard to floormen and employes, they are not supposed to be as wise as the credit man, if he was he might be the credit man instead of you. How many credit men have meetings with floormen to educate them up to what the credit man expects of them? It would be wise to have a meeting every month to explain what the credit man expects of them in regard to identification of charge customers who want to take purchases with them.

Where there is a coin or number or where they make customer sign checks when they want to take packages with them, it is an easy task for the floorman to O. K. charges.

Where either coin or signature is not in vogue, it is very hard on the floorman as the floorman has so many duties to perform; seeing customers are waited on promptly, and settling disputes of customers or of the sales people; to be called hurriedly to some other part of the store to O. K. a charge and having his mind on what he had been doing and is expected to look wise and use the utmost caution in getting name and scrutinizing check so as not to give offense to the customer, that he ever doubted her honesty in any way—takes a diplomat.

He is naturally afraid of giving offense to the customer, as it is impossible for him, in large cities to remember all customers, especially when a new customer has only opened an account a few moments before making purchase, remember the credit man had met the customer and had satisfied himself that she was O. K. and told her that she could start buying at once.

The credit man had the advantage of the floorman in getting acquainted with the new customer—it seems to me that where there is no coin or signature required, it is a happy-go-lucky system and if the floorman makes a mis-

take he should not be judged as having no sense.

If you have ever been a floorman, you can appreciate his difficulty in determining if the right party is purchasing merchandise or if it is someone else.

I have had both experiences, as credit man and floorman, and to my notion, I don't know which is the harder, but I think the credit man has the easiest part of it.

If he does not want to give credit he simply tells her that he cannot open an account or that he will notify her by letter if he accepts or rejects the account.

Where he has no credit information he follows what he calls a hunch either good or bad—while some customers are dressed up to the nines and are poor credit risk—on the other hand, some customers are poorly dressed because they only buy what they can pay for. I suppose from my experience, that is the reason they don't dress better.

So you can see what the floorman's position would be in the case of a finely dressed customer or a shabbily dressed or poorly dressed or medium dressed customer. He would naturally look with suspicion on poorly dressed customer and would hesitate to O. K. charges where, if she was a swell dresser, he would not hesitate to O. K. her charges.

It seems to me that the only solution would be to ask customers to sign takes and have their signatures on file on a reference card in the office.

How many customers leave their coins at home and forget them. Or if they leave them at home it is easy for the maid to use them as no doubt she would easily get to know what the coin is used for as no doubt Madame would want something in a hurry and would give the coin to the maid and tell her to go to the store and buy what she wanted. She could not do that if she had to sign check, and she could never leave her signature at home or lose it.

Thanks for your kind attention.

PRESIDENT BLACKSTONE: The next thing on here is the Signature of Customers on Charge Sales Checks, which is to be presented by Mr. Younts. Is there any discussion on this particular phase of identification systems that are used throughout the country? Any comments to me on the paper that has been presented.

MR. BLANDFORD (Boston): Mr. President, it isn't my intention to enter into any real discussion of the paper that has just been read or the subject under consideration. I do believe, however, just as I said about the signing of checks yesterday and cashing of checks and accepting of checks in payment of merchandise, this is a very important feature of our business. It is something that the members of our Association both local and national, should always have before them. We should strive for uniform methods throughout the country. You know how that works out in our individual cities. If we adopt uniform methods in every particular of this kind, it makes it easier all around. If a rule is adopted in one store and is equally insisted upon by all other stores, it is easier of accomplishment.

We should have that thought in mind, and it seems to me we should work continuously with that thought in mind for uniformity of methods and practices in all these important features of our business.

MR. FERGUSON (Toledo): In regard to the meeting of the floor men as suggested in the paper just read, I wish to say that we at our store, the LaSalle & Koch Co., have what we call a service organization the same as the buyers have. That not only takes in the floormen but every department pertaining to service, delivery, stock room, floormen and so on down the line, and that we meet twice a month and every point is taken up all along the line so that each department is familiar with the other department and that has been in service now about six months and we have found it to be very successful and eliminates knocking the other departments and brings service depart-

ments closer together and wins better co-operation.

MR. SNIDER (St. Louis): Mr. President, I'd like to get a few pointers from one who has used the coin system and another store, I prefer some large department store in some larger city where they have given it a fair test, and inquire what results they have procured by the use of the signature to prevent fraudulent purchasing.

I will say in this connection that in our establishment, I guess like all others, there is fraudulent purchasing increasing, growing every day. I do feel that we can get lots of good out of this and it is an important question, and all the phases should be covered.



WILLIAM T. SNIDER
Director
St. Louis, Mo.

PRESIDENT BLACKSTONE: Mr. Younts will now present to the convention the question of the signature of customers on charge sales checks.

MR. YOUNTS: Mr. President, Ladies and Gentlemen: Some time ago I had a letter from Mr. Woodlock asking me to prepare a paper on this subject. I didn't know anything about it. In my business we don't have any deliveries to customers, but as president of the local association I delegated the duty to one of our department store men who wrote a paper which I am going to read. The paper was written by Mr. Loughridge of F. C. Munn Company.

SIGNATURES ON SALES CHECKS.

T. L. Loughridge, Jr., W. C. Munn Co., Houston, Texas.

For a store to deliver merchandise to customers without signature substantiating same is as antiquated as a bank paying out money on verbal order of depositor.

It is true this practice has been in vogue for time everlasting, but all merchants had more or less disputed "charge-offs," and no doubt ransacked their brains each time endeavoring to devise a plan to overcome the evil—never daring to say to a customer: "We will take it for granted you are right in this instance, but you will be required to sign for the next package handed to you over our counter." It was generally thought it would be offensive to customers

—and no one dared to offend a customer—merchants were too afraid of losing their patronage. But trying one scheme after another, putting into effect one system and another—where we can satisfy the minds of our customers that we are looking to their interest—striving to improve our service—we have always found the public a fair-minded, ready-responding body.

About two years ago when we were despondent over losses on account of our inability to prove that certain merchandise had been delivered to the right party, and having our wits baffled at endeavoring to solve the reason why every human being is not 100 per cent honest, we decided, even though we would possibly lose 25 per cent of our customers, we would save money by reducing losses in placing before the impostor and our store the necessity of a criminal act of forgery in order for them to continue buying on some one's else account. There were those who said it would ruin our business to require the unsuspecting and altogether satisfactory number of our customers to sign for merchandise to be taken, to get at the evil of those with whom we had been having trouble, but the rule went into effect on a certain date and there were many who expressed themselves as highly approving the plan, while some few refused to sign for the package and said it was an insinuation that they were not honest, but today every one takes it as a matter of fact that they should leave their signatures and willingly supply same.

It should not be understood, however, that this has "cured the impostor," for it has not eliminated him altogether. Frequently purchases are made on some one's account and the buyer represents themselves as the party whose account she or he is charging on, but not as often as when they were not required to leave their actual handwriting behind. Numbers have been apprehended by having their signatures compared with that on file, and the charge refused, or the party in whose name account was run, has been consulted, and the action on buyer approved, and the charge allowed to pass. Sometimes the purchase has been found to be by a sister or niece of "Mrs. John Doe," and signed for as "Mrs. Doe" with good intentions, thinking it was necessary and desired by party for whom purchase was being made.

Several times we have caught forgers, whom we usually require to leave the store and never be caught in it any more, as a reprimand for their conduct.

One particular good feature to the rule of having signatures for packages delivered over the counter is that it has seldom, if ever, occurred that an imposition is practiced more than once by the same party. They are usually afraid of being recognized on second attempt.

Strange as it may seem, our experience has warranted the conclusion that nine out of every ten impositions are practiced by the fairer sex, not always by the woman of the street, but too often by women of good families, in good standing, and even at times by those well able to have more than they attempt to swindle charged on their own account.

We must not lose sight of the benefit of the receipt we have obtained when an error has been made in listing an article by the clerk, or in billing by the bill clerk. Your customer's memory does not have to be relied upon for the accuracy of your store force. The charge cannot be disputed if the signature appears below the items; settlement is the only alternative. You have receipts on city deliveries, why not on those handed over the counter?

Shortly after we inaugurated the signature "over the counter" plan, and when it was demonstrated a non-offensive success, our competitors fell in line and now every large store in the city requires signatures for "to be taken" packages.

The good public is the friend of every up-to-date public service institution, and if treated on the square in the exchange of merchandise for their money, the whys and wherefores are left to the merchant, as long as he retains the general confidence of the people.

And reforms are necessary—the people know that—and expect them, therefore why shudder at asking at their hands, co-operation to expel the impostor on one hand and check the error on the other.

PRESIDENT BLACKSTONE: Mr. Snider will present the name and address booklet of identification. Mr. W. T. Snider of St. Louis. (Applause.)

MR. SNIDER: Mr. Chairman, Ladies and Gentlemen: I think the name and address book system went into effect about six or seven years ago. I believe the intention of that system was to render service. Up to about two years ago we continued the address book or the sticker book, as we called it, system. In the start we had duplicate books made and in the back of each book there was a blue sheet for the last three or four sheets which signified that that was the end of that book and we'd have another one on file.

We found that not only cumbersome but expensive, due to the fact of changing addresses so often. Different stores used different methods in the use of these books. With some it was just a matter of convenience and a help and others used them for identification. The book has its advantages and it has its disadvantages. I will enumerate one or two as I see them.

The use of the sticker, we found in our establishment, in the start was very good, but in a short time it dwindled down and by checking it up we found only a small portion of our patrons were using the book, about 17 per cent, and the stickers were not always used and in a small portion of the time as they were intended, that the sticker should be attached to the original check.

We endeavored to have them do this, our sales people, as where we had similar accounts it would enable us to avoid confusion and where there was a difficult name to spell that we had the name correct, but we found that using them on the address cards and using them on the duplicate check only about 17 per cent came to the office.

On the other hand, as a disadvantage, we found that they were using them for all purposes, not only for our business, but were sticking them around in most any old place and at times I think it was an incentive to increase fraudulent purchasing. Sticker books were lost. That was a hard proposition to check them up and after an account was closed and the account terminated for one reason or another, the individual had still the sticker book and we found in a number of instances that they continued to come into our store and, having that sticker book in their possession, the floor man taking it for granted that the account was all right would turn the merchandise over to them. The credit man, that way, lost control of the account.

I will say that some of our own employees misused these sticker books, sometimes taking out more than one, one or two stickers and sometimes handed it over to someone else to use it in the way of manipulation for fraudulent purchasing.

Some stores used them as positive identification and those cases I think that they were used more frequently for fraudulent purchasing because that was a signal that the account was all right and the floorman could turn over the merchandise at once.

In our establishment we did not deem it advisable to use it that way because we asked for identification from the floor man and of course it was an incentive to substantiate their identification.

The cost of sticker books has materially increased up to two years ago, and I know since then that they have more than doubled in price and for the good that you got out of those sticker books and the real benefit you got, due to the lack of co-operation in the use of them we deemed it inadvisable to continue the service and we have discontinued it. (Applause.)

PRESIDENT BLACKSTONE: The other phase of the identification system, coin or numbered

system, was to be presented by Mr. Driver of Cleveland, but unfortunately he is absent because of sickness. I will, therefore, ask if any member will volunteer to speak on this subject before we throw the whole thing open to general discussion for a period of fifteen minutes.

If there is no discussion, we will proceed into an open forum on any system used in the identification of charge customers.

MR. BENNETT: formerly of the J. N. Adams Co. of Buffalo: I got out a coin with our store over there which had the name of the charge account, or number of the charge account on one side and on the reverse side of that coin I had engraved the following: "In case of accident or sudden illness, render me first aid and furnish transportation to home or hospital and charge to my account. For identification telephone such a number, J. N. Adams & Co., Buffalo, and collect fees at our office."

That latter clause meant that the cabby or whoever picked up this person injured by automobile or otherwise was to go to the office of the store and get his money and whatever charges were paid him, these amounts were added to the account of the customer who had been rendered that service.

You may wonder where the store came in on a matter of that kind. It was a direct service to the customer, but I was enabled to ask that customer, in opening the charge account, the name of the family physician, the names of two or three of the nearest relatives, questions that I could not possibly ask under other circumstances. This placed in my hands a sufficient number of references so that in case this lady or gentleman might remove to parts unknown, I had some facts there and some chances of getting a trace of this party and again it proved, during the year that it was continued while I was with the company, a wonderful addition to our service and a great protection so far as the charge customers were concerned, and by the customers it was considered the greatest service imaginable and was talked about a great deal. (Applause.)

PRESIDENT BLACKSTONE: Is there any further discussion on the question of the identification of charge customers? Hearing none, we will pass to the next feature of the program, the question of State Membership Campaigns will be presented by Mr. J. M. Connolly of New York City. Every member here knows that Mr. Connolly is one of the real State Membership Chairmen who have initiative, perseverance and ability. It affords me pleasure to present to you as the leader in this discussion, Mr. Connolly of New York. (Applause.)

MR. CONNOLLY: Mr. Chairman and Fellow Members: This subject of the State Membership Campaigns was wished on me when they thought I might be a winner. I think that in order to relieve me of an embarrassing position they ought to ask Mr. Gray to tell you how to conduct state campaigns. (Laughter.) Apparently he knows how, because he has taken two trophies instead of one and therefore it leaves me up against it to tell you how to do it when somebody has done it and I haven't.

However, I have more than myself in mourning over this condition. I have my friend Sig Wolfert from Missouri, who was very much upset over the outcome of this contest, and I have been sort of keeping company with Sig Wolfert since I came to the Convention, consoling him. He is more upset about it than I am, because I thought Missouri would trim me anyway, because I can't beat the Executive Secretary and Sig Wolfert and Jackson and all that crowd, you know: that's some machine, you know! We've got a fairly good machine in our own city, but we haven't perfected it to the point that St. Louis has theirs, and as far as state campaigns are concerned—

I've worked hard in New York State and I haven't succeeded in establishing a local, due to the fact, I suppose, that I haven't had time to get up through the State. I have tried it on circularizing, follow-up letters. I think I used three follow-up letters and the fourth was a copy of the Credit World. The outcome of it

was, I think, that I got about fifty new members.

Of course, in New York City, where we had our big increase last year for the State, I had several good co-workers there who teamed up with me and we managed to clean up about 331 new members.

Anybody who undertakes a State Membership Campaign may as well sign his name to the work sheet, because you've got to go to work. Printer's ink runs out in matters of a State Campaign for membership; you've got to dig right in and work.

You know, a great many of our friends get a title affixed to their name and let it roll on,



JOHN M. CONNOLLY
Second Vice-President
NEW YORK, N. Y.

but if you think so in State Campaigns, you may as well get your name off the list; you'll never come through.

As to suggestions for conducting a campaign, I am at a loss to just advance to you any ideas that would help you. My experience in New York State in conducting the State Campaign there has been that I believe that in cities where there are no locals, that the best way to get a local established in that particular city is to try and interest some half dozen credit men in that particular city and let them then try and interest another half dozen to have a get-together meeting; hold that meeting with a little informal dinner and invite the State Chairman to attend it, and I think in that way you can probably succeed in organizing a local and if it's only twenty-five, you'd be surprised to see how quick they add to it, but it's the beginning of that meeting that will start you off on a local.

I have found that experience in Philadelphia although they haven't come up in any great total, but they had a nucleus there of starting a real live association. I had the pleasure of going down to Philadelphia with Mr. McConnell of Pittsburgh and Mr. Walters of New York. Mr. McConnell is State Chairman of Pennsylvania. They had something like seventy-five retailers out for the dinner that night, but the

committee in charge didn't seem to have the necessary punch to put it over, but we succeeded in getting about 25 new members out of that crowd anyway and we've got them at least started to the point of organization.

The same thing applies to Trenton, N. J. They have an association started there and it looks to me as though they are going to have a couple of hundred members in Trenton another year, and I say that because that same plan, I think, will apply to any community—I don't think that it just applies to New York or Pennsylvania or Jersey. I think that every State in the Union can apply that same method in their respective communities and in the course of time you will have locals in all your fair-sized cities.

Some people discourage the idea of circularizing. Of course, if you expect that you are going to get big results from circularizing from the way of applications, why you will be disappointed, but I find that it is good work and it knocks off the rough edges and gives us a chance, at least, of avoiding the introduction of the association. They know of it and they have heard of it and have read of it and are more or less acquainted when you reach them.

I am in hopes that if I should be State Chairman of New York this year that I am going to see if I can't throttle the Executive Secretary for one month and let him live in New York State for a month and if he will do that, why I can see here next year a couple thousand new members, but if he doesn't do it I can't promise you anything much outside of New York City, and we now have organized a campaign that is all settled with and we expect to drop the nickel in the slot when we get back and about the middle of September we are going to push on for a thousand members. That is, we will bring our total up to a thousand. Whether we will get it up to a thousand we don't know, but we are concealed enough to think we can.

But, on the other hand, when you see Sig Wolfort sitting around here laughing, the joke is on me. You know, I kind of feel as though I'd let my Irish go. I hear, too, that he has been handed another gift today. Mr. Somebody from St. Louis, I just don't remember his name, promises to give him 150 new members of plumbers. That's pretty soft when you pick 'em off like that, you know. We got 331 members in New York City and we had to ring doorbells to get them. Not a one of them came in on a silver platter.

However, I can only say this, that if the credit men of the various locals will interest themselves to support their local officers, there is nothing to increase membership. It is hard work, but if each one will throw their little bit in, it's a cinch to increase your membership. The same thing applies to the individual members of our association where there are no locals. If a half dozen will get together and try and get some more together, they will find that organizing the local is rather easy.

I was talking to a gentleman here this morning from New Haven, Conn. He wanted to know how to go about organizing a local. I gave him the same advice and said, "I'll take a ride to New Haven any time you're ready."

If the men who are interested in membership increase will do the same thing, our little figure over there, 8,000 looks pretty good, but I'd rather see it with 20,000 up there instead of 8,000, and I think that if the enthusiasm that obtained last night is continued throughout the next year, we can come back to the convention and have 20,000.

That is all, gentlemen. Thank you. (Applause.)

PRESIDENT BLACKSTONE: The object in putting Mr. Connolly on this program was not that he should get the laugh from our good friend Wolfort of St. Louis or from any other member of this association, but that he should outline to us some of the things that he did in the State of New York which were of the character of initiative and perseverance and ability, as I stated in introducing him, and I want you to understand that we had no ulterior motive of a humorous kind in mind when we detailed

Mr. Connolly to present this subject to this Convention.

We intended that as soon as Mr. Connolly presented the subject to the Convention, that a discussion thereon would be entered into by such eminent gentlemen in the membership campaigns of the country as Mr. Wolfert and Mr. Gray, and I'd like to hear from either of those men as to the systems used that brought such excellent results in their respective States.

MR. WOLFERT (St. Louis): My friend, Mr. Connolly, only expressed to you part of my disappointment and only gave you a short reason for not receiving one of these splendid silver cups. At the last minute in July I made up my mind not to win the silver cup, and the reason for this was that I am not gifted with that silvery language as my friend Connolly so ably possesses and I thought possibly I'd give him an opportunity to deliver the acceptance speech for that silver cup. That is the only reason why I gave up the hard work in the eleventh hour. (Laughter.)

I am not going to tell you how we started and finished our campaign. The results, notwithstanding the fact that we are good losers, are remarkable. We divided St. Louis into sections, with teams, captains and lieutenants, and we went out to get new members to join the National Association.

The State Chairmanship was wished on me by your worthy President, after I declined it so often he put my name in print all over the State of Missouri and I simply had to accept it and here I am, disappointed, as Mr. Connolly says in mourning because I'm not getting any of these silver cups.

And while I am here, I am going to deliver just a few more words about our present Board and the particular winner of the two cups.

Mr. Chairman, Ladies and Gentlemen; I arise to call your august attention To the aims and purposes, great and grand, Of this, our Eighth Annual Convention.

We have come from the North, East, South and West,

To consider, discuss and argufy, Of how to give credit in ways that are best, And still keep our collections 100% high.

We surely appreciate, there's no mistake, The fine reception, the eats and things, In this Queen City on Michigan Lake, Whose praises each credit man present sings.

Now, there's our President, Franklin Blackstone, Who advice and good counsel always is giving; He claims Pittsburgh as his home, Where they make iron—and steel for a living.

And our Vice-Presidents, tried and true— Lawo and Nelson are the two; Just what they are expected to do I don't know, and neither do you.

With the jingle of coin comes our treasury man, He's a mighty good fellow, is L. Gilfillan; It's a very sad fact that he ever is dry, So over to Windsor he will not fly.

Then of Directors there are a few, There's Ahl and Barrett and Leonard, too, Shockley, Wright, Trammell are in the crew; Oh, yes; there's McMullen, but then he's new.

There's Irving Brown, you'll find none better, Although he copied someone's form letter; This great, grave fault we will forgive, For in Edwards' state he does live.

Then there's Shurr, who's full of life, This is the first meeting that he's brought his wife;

He's from Kansas City, is this prancer, Believe me, girls, he's some shimmy dancer!

Now friend Solon, the good old scout, Whose integrity we never doubt; He doesn't drink or raise the dickens, But he's said to be a bear on chickens!

There's one in our midst whose dignity, While around Best & Co., he saunters; I'll tell you in strictest secrecy, Waterford asked me, "What are Yonkers?"

About friend Koch, I could be kinder, For he, you know, is an old timer; In the credit game he's in the front line sector, For he's the one best bet as a collector.

Then there's Sid Blandford of Boston town, As our ex-President he's won renown, With Critchett his whole aim is bent, To help make Coolidge the next Vice-President.

And my friend Woodlock is a peach, For he is the one who injects the pep, And makes each State Chairman stretch his reach, While on a bigger membership he'll build his rep.

On State Chairman I'll not waste much time, Because it's hard to grind out this rhyme; In the heated race for the silver cup, J. M. Connolly was a mighty fine runner up.

Ohio lately has won much fame, For the nation's next President she'll name; Like the parties' leaders, on a lark, Gray won our race with a horse that was dark.

Despite the fact that we lost the lead, In the membership race, you will have to own, That Missouri's a mighty fine state indeed. For finer enthusiasm she's got to be shown!

I could not end this jamboree, Without a word for Dave Strauss and St. Louis; To the ends of the earth has she won her name, And most of it is due to her credit men's fame.

Finally, here's to our great big organization, May we continue to meet, year by year; The National Retail Credit Men's Association, On this glorious Globe has no peer!

(Laughter and applause.)

PRESIDENT BLACKSTONE: It's an unusual surprise to find that the State Chairman of Missouri is not only a membership getter but that he is also a poet.

Now, I will call on Mr. Gray, of Cleveland, to give us some idea of the proper manner in which to conduct a State Membership Campaign, just for the information of that kind. Mr. Gray, will you kindly favor the convention with a few remarks on that subject? (Applause.)

MR. GRAY: Mr. Chairman, Ladies and Gentlemen: I am going to tell you that the President of this Association, now the past President, does not need to apologize for a State Chairman, he's too tough to insult or get his nerve or his goat or anything else. You can't do it, it can't be done!

In Ohio we started out on the theory of an association work that Mr. Connolly mentioned to you. We formed several locals throughout the State by effort principally of the Cleveland, Youngstown, Dayton and Columbus crowds. We found by doing that we were able to add a large number of members and I believe that the local associations also found that they were greatly benefited within their own towns by that action.

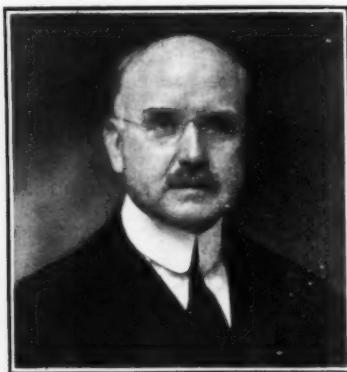
For instance, in Cleveland where we secured the largest number of national members, we added possibly a half of those that came into the National, new members to the local. We made it a part of our By-Laws that they must become a member of the National Association at the time they joined the local association and the propaganda that went out as a result of that procedure did the local association a wonderful lot of good.

As to our first steps, both locally and throughout the State, especially in Cleveland, we billed our members before we took the action I referred to a moment ago. We asked them to join the National, sent them the national magazine with a statement attached to it indicating what the association is for and its work and asked them to do their bit by joining.

I will admit that that was not very successful. I believe it was good propaganda but it didn't get us very far. For that reason we billed our members definitely for the membership price to the National Association. That brought in a few, not very many.

As a last resort we ruled that all new members must become members of the National and asked that old members, made it optional with them but asked that old members of our Cleveland Association take that matter up and join immediately.

It finally resolved itself into this: We called about fifteen or twenty members of our local association together at a time when we thought Connolly and Sig Wolfort were so far ahead of us that we could only come in and eat their dust, but we decided we'd not eat more dust or gasoline fumes than we had to, so we called these fifteen or twenty people in and I'll give



W. SLATER
National Director
CLEVELAND OHIO

you a little advice right here: You want to pick out first-class safe crackers and second story workers when you go in and want to get the bacon.

We divided up our members, each man taking fifteen or eighteen, and told them we would not take No from anyone. That's the way we came in in the last fifteen or twenty days with such a large majority. We just burglarized the thing and brought 'em in.

With relation to the cups, I noticed a certain man in this audience waving a suspicious looking package that looks like laundry to me, and and can sing this little song if he dares, to the tune of "Oh, Min!"

"Oh, Dave! What's the matter?
Oh, Dave! We never saw you act this way before!
Oh, Dave! Won't you fill 'em up?
Please come up and fill up the cups,
It's mighty dry a-standing here, you know,
And Davey, there's no place for us to go,
So Oh, Dave, Franklin, Johnny Sig,
Please, won't you fill 'em up?"

Thank you. (Great laughter and applause.)

PRESIDENT BLACKSTONE: Now I'm beginning to realize something about what a State Chairman must be. In the first place he must be so tough that a President cannot apologize for him. That's good information for the incoming President to have and I charge him with remembering it in his selections for the coming year. (Laughter.) The other qualification, as indicated by the remarks relative to Mr. Wolfort is that he must be a poet.

Is there any other member present who will favor us with a few remarks on State Membership Campaigns?

MR. McCONNELL (Pittsburgh): Mr. President, Ladies and Gentlemen of the Convention: As Chairman for the State of Pennsylvania, the Keystone State, we did not land in first place nor the second nor third, but I believe we did land in the fourth place. The fact that we made no better showing this year does not reflect the work and activities of my committee, which was a very good one, the Chairman excepted.

The sum total of our memberships for the past year was 140, ninety of which came from our local association in Pittsburgh, eighteen from a new association in Philadelphia and nine from Altoona.

I believe, with Mr. Connolly, that the best means to establish a local association is to interest a sufficient number of credit men in the National Association. That is, to take our individual memberships. After the necessary number have been secured, then they can get together and form a local association.

As Mr. Connolly stated, in March of last year we attended a meeting in Philadelphia for the purpose of organizing a local association. Mr. Connolly and Mr. Walters very kindly came over and delivered two very excellent talks and at this time I wish to publicly acknowledge the indebtedness of the Chairman of Pennsylvania for their co-operation at that time. That is co-operation which counts.

We had a charter membership of 25, of which 18 have already been turned into the National Association. Unfortunately, the matter stopped there and we have not gotten very far at this time. I am informed, however, that new efforts will be made in the fall and we hope by the next convention that we will have a large representation from the City of Philadelphia.

In the city of Altoona, where I was fortunate enough to organize a local association, it was a matter of three months from the time I located the key man in Altoona until the organization was effected. Mr. J. R. Jackson and Mr. J. A. Brown and Mr. Michaels of our own local association went over with me to Altoona on two different occasions and on July 17th the organization was effected. Unfortunately, the time was so short between the date of organization and the 31st of July that but nine applications were turned in to the National Office. I have been assured by the secretary of that association that by September or October they will have lined up at least 50 in that association.

During the year I sent out personal letters from my office, I suppose several thousand of them, together with Credit World and other literature bearing upon the National Association. The results, I must confess, were rather disappointing. However, the Committee feels that we have sown seed which has fallen on fertile soil and that an abundant harvest will be reaped later on.

During the year I have entered into negotiations with Newcastle, Butler, Franklin, Lancaster and York, and I have assurance that before another year rolls around local associations will be effected.

I believe, gentlemen, that that is all I have to report at this time. I wish to take this opportunity to thank my committee and also Mr. Woodlock for the many courtesies extended to the Chairman of the State Committee. (Applause.)

PRESIDENT BLACKSTONE: The next thing on the program is the presentation of trophies to Membership Chairmen.

Gentlemen, the Perpetual Challenge Cup (holds up cup)—that is not the name of it, but is what it virtually is. This is the trophy that is known as the Local Association Trophy. You all know from the report of the Executive Secretary that this trophy will go to Cleveland, the 100 per cent. (Applause.) I believe that it is one of the great privileges of the office of President of your Association to be enabled, as your presiding officer, to present this cup from year to year. Accordingly, I take advantage of this opportunity to present to Mr. W. H. Gray, of

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Cleveland, the Local Association prize for the year 1920. Mr. Gray. (Applause.)

MR. GRAY: I am paid for my part in this program by the Cleveland Association. For that reason, I am asking the President of the Association, Mr. W. Slater, also one of your new Directors, who is not paid for his part, to accept this honor.

PRESIDENT BLACKSTONE: Under the explanation made by Mr. Gray, it becomes my pleasant duty to re-present this cup during my term of office, and this time to hand it to the President of the Associated Retail Credit Men of the city of Cleveland, Mr. Slater, newly elected Director of our National Association. (Applause.)

MR. SLATER: Mr. Chairman, Ladies and Gentlemen: It is a genuine pleasure to accept, on behalf of the Cleveland delegation and the Retail Credit Men's Company of Cleveland, this valued trophy. I want to say to one and all who have their ambitions to win this trophy the next year, to start right here and get busy.

I remember returning from St. Paul last year with Mr. Gray when we discussed what we should do in Cleveland. Cleveland was a back number at the St. Paul convention. We couldn't hear anything up there except St. Louis. They even took the Executive Secretary and the National Headquarters away from Cleveland and moved them to St. Louis. I asked the former Secretary how it was that he didn't come to Cleveland and a few of you know the reason —there was a lady in the case. (Laughter.)

Did Cleveland quit when all of these honors were taken away from her? She did not, as evidenced by the sign on the wall which has been here since the day we arrived. We are proud of the showing made by Cleveland, by the showing of Ohio in this campaign. Much of the credit is due to the ladies from the city of Cleveland. A few of them are here today and they are of the striking example that was portrayed to us last evening by Mrs. Hopp, not the hand-painted variety alluded to by Mr. Kane. (Laughter.)

It is my pleasure at the same time to introduce to you a young man from Cleveland who was a former member of the Bureau who worked with our snappy Secretary and who imbued some of the spirit which he gives to us. I want to introduce to you a young man who carried off the honors in our local association for having secured more members—I was going to say than all the rest put together, but more than any one else—Mr. W. E. Francis.

Mr. Francis stands up and is applauded vigorously.

There is one more thought I'd like to leave with you and that is, forget that modern precept which says, "Do others or they will do you," but live up to that ancient honorable one which says, "Do unto others as ye would that they should do unto you," and if you do, the membership next year instead of being 8,000 will be 16,000. (Applause.)

PRESIDENT BLACKSTONE: It has become the custom in this association for communities to win more than one prize in each year. Last year trophies were carried away by the grand old State of Tennessee. This year we find them moving up toward the Great Lakes and the trophy that I hold in my hand is engraved, "Membership Trophy, Retail Credit Men's National Association, Presented to Wm. H. Gray, State Chairman of Ohio, for obtaining the largest number of new members, 1919-20, Detroit, August 13, 1920."

This trophy becomes the perpetual property of Mr. Gray. There is no one here who can take it away from him, because he has indicated to you, himself, the kind of timber that he is made from.

Mr. Gray, you have done wonderful service for this Association during the past year and it is a great honor to me to present to you personally, not to your association, this trophy indicating your service to this National Association during the past year. (Applause, led by Ohio delegation.)

MR. GRAY: In accepting this trophy, Ohio does so believing it to be emblematic not of the end but of the beginning. I wish only that it was transferable at the end of the year, but

I don't believe anybody can take it away from us. I am going to take it home with me and permit my wife to shed her tears in there when I depart for wherever the next convention is held, for that is what she always does when I leave for the convention.

Cleveland women did more to put this thing across than the men did. I am not joking when I tell you that. (Applause.)

PRESIDENT BLACKSTONE: Gentlemen, last year in the convention at St. Paul, trophies were presented in large numbers to the Chairman from Tennessee. Today it is again the duty of your presiding officer to present to Mr. Dave Gaut, State Chairman for that State, this very beautiful cup for securing the largest number of new members in his State and in the division in which his State has been placed in the Membership Campaign for this year.

In the absence of Mr. Gaut, who was unavoidably detained for business reasons from attending this convention, I present it to Mr. Lawo for proper presentation to Mr. Gaut at the discretion of Mr. Lawo, the new President of our Association. (Applause.)

MR. LAWO: Mr. President, Ladies and Gentlemen: When President Blackstone asked me to whom he should present this trophy, I asked him to give it to me so that I might have an opportunity to say something about the gentleman who really won it. He has been present at the past three conventions and he won one or two trophies last year as a result of his hard work and he certainly worked hard to win this one, and I don't think this opportunity should be permitted to pass without someone saying something of the splendid work Mr. Gaut has done for our association.

If business conditions had permitted it, he would certainly have been here, and he has been in telegraphic communication with this convention, to show his interest in it.

During the year Mr. Gaut has been in correspondence with Nashville, Chattanooga and Knoxville, and you know that all three of those cities produced good results. Not only that, but he personally assisted very materially in the great increase which took place in the city of Memphis the past year. Memphis last year and year before last, as all of you know, won the trophy for the greatest gain in membership. It started this year with the largest membership in the association, which honor it had the year before and which honor it still possesses—and therefore knew it was impossible to add enough new members to win the trophy.

When the Chairman of the Membership Committee from Memphis asked me at the beginning of the year how many new members I would consider satisfactory, I told him 150. I didn't think it was possible to get that many, and when at the close of the campaign he reported 242 new members added to a membership of more than 400, of course we were all highly elated.

Now, probably I shouldn't be talking about Memphis. In the new position which I am shortly to occupy—Memphis is not going to amount to any more to me than any city in the National Association, but I mention these things in behalf of Mr. Gaut who comes from Memphis.

Several of you have talked about the great work done by individual members, and I am sure that what was said is true. That is the real work, the work that benefits the National Association, the individual work done by members going out and getting new members; it means real hard work, it means sacrificing time from your business. We have in our delegation here one man who got 50 new members by himself; a lady who with the assistance of her sub-committee of ladies, got 48 new members; we have one or two other members who personally brought in 30 and 35 new members, and I will ask permission of the President to hand over to one of our committee this trophy, to accept it for Mr. Gaut. I merely took advantage of the opportunity to say something about Mr. Gaut, and I will ask Mr. Phil Canale to accept it for the Membership Committee. (Applause.)

PRESIDENT BLACKSTONE: Gentlemen, you all remember Mr. Canale. He was presented to this convention on the first day of the meeting.

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MR. CANALE: Mr. President, Ladies and Gentlemen: Mr. Lawo has explained to you that Mr. Gaut, on account of recent illness and convalescence due to the fact that he has been burdened with a great many of the affairs of his institution, was regrettably and unavoidably detained from attending this most interesting and remarkable convention.

I feel sure that the token or trophy which is being presented today finds a mental and a spiritual reaction in Mr. Gaut's heart and soul. Mr. Gaut is the real true type of credit man. He is a man who is enthusiastic in his work; he is a man who is conscientious in his work and he is a man who not only has the interests of his local or his State Association at heart, but he is a man who has the interest of the bigger and broader things at heart—that is the development and fulfillment of the destiny of the National Association.

I take a great deal of pleasure and pride in accepting this magnificent token at the hands of this body on Mr. Gaut's behalf.

PRESIDENT BLACKSTONE: It is a misfortune that the gentleman who has won the two trophies before us is not present at this time. In his absence it would be hardly fair to him for me to go into an extended elaboration of the many things that he did and the long trips that he took and of the time that he devoted to traveling over the States of Washington and Oregon in order to obtain for this National Association the new members that would entitle him to be the winner in his division, as he was the State Chairman for those two Commonwealths.

I will accordingly, transmit them to Mr. Lawo so that he can make proper disposition of them after he assumes the duties of President of your Association.

It was the request of Mr. Watson, the winner of these two trophies, that one of them should be presented to Mrs. Daly of Omaha as an indication of his appreciation of the great work she has accomplished in Nebraska, and whether that can be done is a question that they must decide later for the reason that at the time these trophies were sent to Detroit from St. Louis they had been engraved and were ready for distribution.

Mr. Lawo, I hand you the two trophies engraved with the names of Richard W. Watson, representing the States of Washington and Oregon.

At this point quite a little levity is indulged in, Mr. Heller making a speech about Mr. Wolfert's hard work and his great disappointment in not winning a trophy and presenting him with what appears to be an enormous bunch of roses in a florist's box, but which turns out to be some dried decorations from the banquet supper the preceding evening in a quart tin measure purchased at the 10c store. Mr. McMullen also makes a speech to Mr. Heller, he says in behalf of the ladies with whom Mr. Heller has seemed to be most popular, and presents Mr. Heller with a package which proves to be a small vari-colored skull-cap about 10 sizes too small for Mr. Heller. The audience seemed to be much amused.

PRESIDENT BLACKSTONE: Mr. Woodlock, our Executive Secretary, will now read the final report of the Committee on Resolutions.

Secretary Woodlock reads resolutions which are attached hereto with their disposition indicated thereon.

RESOLUTION.

Whereas, It is our firm belief that the practice of thrift and savings makes for moral strength and contentment, and that waste and extravagance cause not only high prices but instability and deterioration, and

Whereas, The prevailing low prices of Liberty Bonds and Victory Notes makes these issues an ideal medium for the practice of thrift and safe, profitable investment;

Be It Resolved, By the National Association of Credit Men assembled at this Eighth Annual Convention that we endorse this project as a National movement and support it by such agencies as opportunity affords.

Be It Further Resolved, That the Honorable D. F. Houston, Secretary of the Treasury of the United States, be apprised of this action and of a desire on the part of this Association to have the movement made National.

Adopted.

Whereas, The delegates to the Retail Credit Men's National Association realizing the importance of thrift at all times, and especially during the period of readjustment,

And believing that the great object to be obtained may be gained by the active co-operation of all America in the work of the Bureau of War Risk Insurance, now conducted by the Treasury Department of the United States, therefore, be it

Resolved, that the Retail Credit Men's National Association recommend that those persons who may be privileged to avail themselves of the opportunities of insurance with the War Risk Insurance Bureau of the Treasury Department, so that the advantages of thrift may be appreciated and enjoyed.

JAS. W. METCALFE.

Omaha, Neb.

Adopted.

RESOLUTION.

Be It Resolved, That the thanks of the Retail Credit Men's National Association be extended to Mr. E. B. Schick, General Chairman of Convention Committees, and through him to the other various Chairmen, and the Local Retail Credit Men's Association for their splendid generous hospitality extended to its members and guests; It is further

Resolved, That the thanks and sincere appreciation be extended to the ladies of the Convention Committee for their many acts of courtesy and kindness extended to our visiting ladies; be it therefore

Resolved, That this Resolution be spread upon the minutes of this Convention in that the Secretary be directed to send a copy thereof to each of the parties above mentioned.

Respectfully submitted,

.....
Adopted by rising vote. (Applause.)

RESOLUTION.

Be It Resolved, That the thanks of the Retail Credit Men's National Association be extended to Mr. E. B. Schick, General Chairman of Convention Committees, and through him to the other various Chairmen, and the Local Retail Credit Men's Association for their splendid generous hospitality extended to its members and guests. It is further

Resolved, That the thanks and sincere appreciation be extended to the Ladies of the Convention Committee for their many acts of courtesy and kindness extended to our visiting ladies. Be it, therefore,

Resolved, That this Resolution be spread upon the minutes of this Convention in that the Secretary be directed to send a copy thereof to each of the parties above mentioned.

Respectfully submitted,

CHAS. J. NAGLE, Chairman.

Whereas, the Delegates to the Retail Credit Men's National Association, realizing the importance of thrift at all times, and especially during the period of re-adjustment,

And believing that the great object to be obtained may be gained by the active co-operation of all America in the work of the Bureau of War Risk Insurance, now conducted by the Treasury Department of the United States, therefore, be it

Resolved, that the Retail Credit Men's National Association recommend that those persons who may be privileged to avail themselves of the opportunities of insurance with the War Risk Insurance Bureau of the Treasury Department, so that the advantages of thrift may be appreciated and enjoyed.

Respectfully submitted,

JAS. W. METCALFE,
Omaha, Nebraska.

CHAS. J. NAGLE, Chairman.

RESOLUTION.

Adopted by Retail Credit Men's Association.

Whereas, It is our firm belief that the practice of thrift and savings makes for moral strength and contentment, and that waste and extravagance not only cause high prices but instability and deterioration and

Whereas, the prevailing prices of Government Securities make these issues an ideal medium for the practice of thrifit and safe, profitable investment, and

Whereas, We believe that Associations and individual members thereof can benefit both their country and themselves by participating in systematic purchase of Government Securities, therefore be it

Resolved, By the Retail Credit Men's National Association at its Eighth Annual Convention assembled: (1) that the subordinate bodies be urged to invest as much of their funds as possible in Government Securities; (2) that each Association endeavor to interest all members of the Association in the purchase of Government Securities; (3) that the Honorable D. F. Houston, Secretary of the Treasury, be apprised of the action of the Retail Credit Men's National Association in adopting this resolution, and of a desire on the part of this organization to have the movement made nationally popular.

W. S. S.

CHAS. J. NAGLE,
Chairman.

PRESIDENT BLACKSTONE: (Referring to Resolution C just inserted) Mr. Schick, General Chairman of the Convention Committee of Detroit, is present in the hall and at this particular minute I take pleasure in calling this resolution to his attention and to extend to him in addition to the resolution the personal thanks of your presiding officer and of the delegates here at this convention. (Applause.)

MR. SCHICK: Mr. President, Ladies and Gentlemen: I believe I stated in my opening address that we considered it a great honor to have you with us and that the chairmen of the various committees intended to extend themselves and show you our sincerity. I believe that is about all that I can say except that we sincerely hope you have had a good time and we will try to have quite a delegation at the next convention.

I thank you. (Applause.)

PRESIDENT BLACKSTONE: The report of the judges of election was received this morning. We will now proceed to the open forum, the date of the convention and place of the convention for 1921. Is there any discussion?

MR. VOLNEY JAMES (Nashville): I don't know whether I am in order or not. I have a little matter that may have some bearing on that question of time we meet and where we meet and everything of that sort.

When a man reaches my age—mos' 'em, when they spend considerable part of that time with another group of persons—we have a peculiarity in that we like to look around and see how many men he can find as old as he is. I have looked over this large assembly and while I see a good many bald heads, none of them indicate that in years they are as old as I am.

Now, as I am considerably handicapped by age, I feel that if I had the privilege of meeting with a few more of these conventions, I could get back in the young man's class—and I hope to attend a good many more.

I am one of the pioneer Agency men of the country and also have been a member of the National Association of Retail Credit Men ever since the Association came into existence. Consequently, I could not justly be accused of undue partiality for either of the national organizations. I know full well that the interests of the two organizations are inseparable and the results they are striving to bring about are identical and that neither can attain real success without full co-operation from the other. They are so closely inter-related and inter-dependent that no friction should ever be allowed to handicap their important work.

The local agency which I represent, and the local credit association of which I am a member, are in close touch with each other all the time and the two work together almost as one

organization. Our credit men have their hands full in passing on credits and supervising other matters that come under their jurisdiction, while the agency is on the alert all the time compiling reliable credit information for them.

My friend, Mr. Poindexter, from Nashville, who is one of the live wires of this National Association and who has done as much as any other member to place its affairs on a high plane of success, is one of our Directors, and Mr. Buckingham, one of the delegates here, is secretary of the James Sanford Agency and also secretary of the Associated Retailers and the Associated Retail Credit Men. I presume this cordial co-operative condition exists between practically all the local credit associations and agencies.

If the local associations and bureaus are so closely allied and work so harmoniously together, there is every reason why the National Association should act the same way. The two national bodies profess to think well of each other and at nearly all the meetings, when occasion arrives, form themselves into mutual admiration societies and declare all sorts of love, but do not really get together in a true business spirit.

Mr. President, I am heartily in favor of the two National Associations getting together and quit playing at co-operation and bring about some tangible results from their mutual work.

Last year this association, before adjourning, decided on the city of Detroit as the meeting place for this year, and I think it was a happy move. Sometime afterwards the National Association of Mercantile Agencies decided on Detroit also. As I understand the situation, there were no mutual arrangements, and this association pre-empted nearly the whole week, leaving only Monday at one end and Saturday at the other end.

This compelled the Mercantile Agencies to have their first meeting day on Saturday and go over into the next week.

Now, in order to bring the organizations into closer touch, and to best conserve the interests of the retail merchants, who are paying for our services as credit men and credit bureaus, we should drop every feeling (should there be such feelings) of jealousy, suspicion, and to bring about some tangible results from our mutual work.

I believe that it is the sense of this Association that it is desirable for the two national associations to co-operate as closely as possible and the officers of this association are requested, in conjunction with the officers of the National Association of Mercantile Agencies, to formulate a joint plan for the next annual meeting, these officers to decide on a city which is somewhat centrally located, with conditions favorable to both organizations, fix date of meetings and allotting a certain number of days to the Credit Men and the balance of the week to the Agencies, but to confine the meeting to one week; also, if found practicable, have half a day for joint meetings and banquet.

Now, Mr. President, ladies and gentlemen, I have not made this talk to bring out any discussion, but simply to give you some food for thought and reflection. We ought to get together.

PRESIDENT BLACKSTONE: Has any one anything to propose in connection with the Convention for 1921?

MR. SHIRK (Oklahoma): Mr. President, while sitting here during the past four days I have been more forcibly than ever reminded of the fact that perhaps the dynamic forces giving stability to human society arise from selfishness and conceit. It is perhaps right that it should be so. It is very gratifying to know that every father and every mother look upon their offspring as the best in the world, the most intellectual, and the ones that have before them the greatest possibilities, and, indeed, on the other hand, it would be an unworthy son who did not look upon his father and his mother as the best man and the best woman that ever trod God's green earth.

From that little home the same degree of selfishness and conceit spreads throughout the

land, from there it is carried into immediate neighborhoods, and I know every one will concur that no matter in what part of a town one may live, that particular part is better than some other over on the hill. It then spreads and ramifies to the city. The people living within the confines of a particular municipality have an idea there is no town except one; then it goes to the state, and those who happen to be reared, or have sworn allegiance to a new state, have an idea it is the greatest sovereign power in the Republic.

It goes on until we have the United States divided—we have the East, we have the West, we have the North and we have the South, and no one can convince the people residing in New York that it is no better than San Francisco, neither can the people of Detroit be convinced that she possesses no more merit than the towns in the Gulf States. After all, it must be so, otherwise there would spring up stagnation, indifference and indolence, which in time would cause decay of the entire nation, and the foundations of the universe would sink into oblivion.

Boston claims to be the shrine to which the people of the world look and travel. So far as we are concerned down in our own free country, where the sun shines a little brighter, we are perfectly willing to let Boston claim she is the hub of the universe, because that covers considerable territory and embraces the country from whence have come to these shores those insidious vipers who are now enjoying the temporary hospitality of this Republic and imbedded their fangs in the pulse of our industries, and are seeking to destroy us and they have destroyed the powers of Central Europe. No, Mr. Blandford, we do not care for that honor.

There are several ways in which one may acquire knowledge. After the average business man has attained the age of 35 years he has not the time to read to any great extent, although the desire remains. He must acquire his knowledge while passing from his home to the office. He reads the newspaper while on the street car, automobile or is walking. He picks up periodicals and reads a little now and a little then, and thus endeavors to keep apace with the times. Some acquire knowledge and information from traveling and communicating and conversing with others, and I take it that is about as successful and as sure a way as any to acquire knowledge. These conventions have been meeting year after year in various parts of the country north of the center of the Union, and those who have never been so fortunate as to travel from the northland to the southland do not know what they have been denied, because it has been a great educational feat for those coming from the southland to the northland and mingle with a somewhat different industrial life. Now, in turn, let the people from the northland travel to the southland and see what she possesses, and they, in turn acquire some knowledge which they did not formerly possess.

These United States do not embrace very much territory, when it is considered that it only takes on an average of 42 hours to travel from the Northern States to the point I have in mind, and while traveling you are going from one climate into another, you are going from one land into another, but you are not going from one people to another people, because the people there are just the same as the people here—they think as you think, and they think along safe and sane lines.

The gentleman from the peerless city of the South last Tuesday morning referred to the women of that city as ones who were patterned after the Angels, but the few times I have had occasion to see the women of the sovereign power, about which I am speaking, there was abundant proof they were not patterned after the Angels, but when it became necessary to make Angels, God Almighty saw a super-woman, made so because she inhaled those balmy breezes from the Gulf, permeated with the sweet perfume of the magnolia and cape jasmine, and as she walked along the carpet of wild marguerites, He said: "There is the model for my Angels." (Applause.) Do you men from the

New England States realize, after living year after year in a muggy, close, humid atmosphere that you can get on your steamers over there in New York, or any of those tremendous sea-sails down the ocean streams, you gradually realize you are passing from that unpleasant climate into one that instils a new life, one that will compel you to look into the heavens and see and realize that the rays of the sun shine brighter, and, at night, as you glide silently toward the south, look at the moon and see the reflection in the water is more inspiring and the rays more silvery than you ever saw before.

You men and women from the Pacific States can go down your coast and have the same experiences, and acquire vaster knowledge concerning a certain possession about which we have been reading so much. By going through the Canal Zone and coming in quite close contact with a somewhat new and different people, all of you, when arriving at your destination, will say: "Well, this is indeed a paradise."

When there, you will be in the midst of a new industrial activity, you will be in the midst of a life you never dreamed could exist, you will be in the land where but a few years since was a broad vast plain for the roaming buffalo, the outlaw and cattleman, but is now one bubbling and seething with industrial life. You will see the great lumber interests of America concentrated and sending their cargoes to Europe and Asia. You will be enabled to see that brought from the ground which might be king, if cotton were not, but inasmuch as Memphis claims Cotton is King, I will not seek to destroy her illusion.

Out on some naked spot or on the knoll of a hill, or yonder in a valley, at the side of a huge rock, you will see a derrick go up some ninety feet in height, you will see huge machinery assembled and drilling operations commenced, you will see them hit the sand and a gusher come spouting from the earth. You will see them shoot the well and feel the earth slip, all of which will be of great educational value.

I desire to take this occasion to remind the gentlemen from St. Louis and Memphis that a modern, up-to-date, standard drilling rig has a "headache post."

You will see petroleum come from the ground, piped to the refineries, where gasoline and by-products of petroleum are made. You will see crude oil coming from the bowels of the earth, pass to the stills and at the other end will flow gasoline.

Those of you who live in great industrial centers, no doubt believe you possess considerable knowledge concerning live stock. While Chicago may be a great packing center, yet the town about which I am talking is the head of the livestock industry of the United States, and while there you will see millions of heads of livestock, and trainload after trainload leaving for other parts of the Union, and shipload after shipload destined to the ports of the world.

The facilities of this particular city are abundantly able to accommodate a convention three times the size of this, and abundantly able to afford different and splendid entertainment for the women who may accompany their husbands, and abundantly able to do anything any country, any town anywhere may do at any time. It is needless for me to read subject matter coming from the Chamber of Commerce of this particular city, because that would be tiresome and the product of the mind of another, and what I say is the product of my own mind and I like it better.

When you realize there are no Henry Fords in that country, there are no large automobile industries, there are no packing institutions employing thousands and thousands of workmen, there are no manufacturing institutions having employees in such large numbers that it takes a corps of timekeepers to check the numbers and who employ men, women and children by number, instead of name, and when you realize that in the past ten years this town has grown from a mere village to one having a population of one-fifth of one million, it clearly indicates

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Detroit, Mich.....	ADJUSTMENTS—DETROIT, Ltd. <i>714 Free Press Bldg.</i>
Pittsburgh, Pa.....	THE HICKOX SYSTEM <i>Bessemer Bldg.</i>

she is made up of a live, throbbing energetic people, coming there from everywhere, coming there from Detroit, coming there from Pennsylvania, coming there from Indiana, and coming there from practically every State in the Union, because vaster and greater opportunities exist. This town was built, not because of the existence of a particular individual made the victim of circumstances, which enables him to employ thousands and thousands of men, women and children, but has been built as a result of the force of the individual efforts of her individual citizenship.

I say to you that if a town be capable of doing these things in the short space of ten years, it is certainly entitled to favorable consideration at the hands of your directorate. If you desire to participate in any of the sports of that Southland, the privilege will be yours, and abundant opportunities will be afforded.

If you think the people of this particular city do not desire the 1921 Convention, step outside the entrance of this hall and observe the almost innumerable and countless telegrams coming to the representatives who are attending this Convention. From the number of telegrams posted and the talk of her men and women about this convention hall, there is a united citizenship beckoning you to enjoy the hospitality of this town for a few days in 1921. (Applause.)

Has any other city represented in the Convention backed up her delegates to the extent as has the city about which I am speaking? Can these solicitations be ignored by the directors? Can the directorate consider any other city for the 1921 convention when the sentiment seems so overwhelming? Has any other city seemed particularly anxious or concerned to have the 1921 convention? You might thrust upon her something she did not wish or solicit. In view of this fact, avail yourselves of the opportunity to have the 1921 convention meet at a place where you will be welcome.

No, she is not an overgrown boy, she is not burdened with size; she is just large enough that when you turn around the corners, you are not compelled to feel you have lost your identity, and do not possess individuality. She is just large enough that when you walk across the street and accost the officer and ask him a question, he does more than look at you, grunt and walk away. He takes you by the arm and gives you assistance and aid and sees that you are properly directed. (Great laughter.)

For these and innumerable other reasons, I am pleading the cause of this particular municipality, and earnestly hope the 1921 Convention of this Association will be held at the Peerless City of that wonderful sovereign power, Houston, Texas. (Long, continued, hearty applause.)

I spoke about flowers, I mentioned four kinds of flowers, I named the magnolia, cape jasmine, the wild marguerites and those which God used as a pattern for his Angels. I have always been a great believer and an admirer of flowers. It is indeed a splendid way to express sentiment, so, Mr. Heller, let us take these loving cups off to that room that you spoke about a little while ago, and invite some of our friends and let us cement our friendship in such a way that we will never forget the 1920 Convention—you, your trophy, the rest of you, yours, and me, mine (holding up small bunch of flowers). (Applause.)

PRESIDENT BLACKSTONE: Is there any further discussion?

MR. CHILTON (Dallas): I never like to see anything go by without a kind of encore. Our friend from Oklahoma has been very kind in making his remarks in reference to Houston. Now, I am from a city that has a membership in this organization of about 100. We also will have 1,000 in the State by 1921, as soon as this Board of Directors announces that the 1921 Convention is going to be held in Texas.

We have more than one city in Texas. We have five large cities and it is impossible to go from St. Louis to Houston or San Antonio or any of the other leading cities without passing through the Hub of the Southwest. But, in order to show you the reputation of the Dallas spirit, the city of the hour, I want to place in

nomination the city where the songs originated, "What Are the Wild Waves Saying?" and "You're Not the Only Pebble on the Beach."

This city is situated close to the city where the clothes do not make the women. Within a short distance of this city there is one of the finest beaches in the United States. Also, the wild women of this city have all been dehorned; we no longer have any longhorns among our men or women or our cattle.

This city, as has been referred to in the past, is a city where the magnolias and the figs and the cape jasmines grow wild. This city is situated where the Gulf breezes continually are blowing cool and refreshing, and in order to show what North Texas is willing to concede, we ask for little and give much.

I want to second the nomination of Houston, Texas. (Applause.)

MR. YOUNTS (Houston): Gentlemen, the people of Houston appreciate very much the invitation that has come from our neighbor on the North, from our neighbor State and our neighboring cities and the kind things that have been said about us, but we don't want you to take their word for us, we want you to come down and see.

All that I am going to say in addition to what has already been said is to tell you that Houston wants you. I am not going to take the time to read the telegrams that have come to me this week as President of the local Association, the Houston Clearing House Association, the Houston Cotton Exchange and the Board of Trade, the Houston Young Men's Business League, the Chamber of Commerce, the mayor of the city, the Houston branch of the Federal Reserve Bank, the Houston Rotary Club, the Houston Kiwanis Club, the Houston Salesmanship Club and the Advertising Association; in addition to those there has come to us a collection of fifty telegrams from members of the Retail Credit Men's Association of Houston, inviting this convention to meet in Houston in 1921. (Holds up bulletins chart containing great number of messages.)

If you will come down we will show you some of the genuine Southern hospitality for which the South is noted, and if the Directors of this Association see fit to come to Houston, the Houston association which is now 105 strong, but will be 150, at least, next year, will do the bidding of the National Association. (Applause.)

MR. LEWIS (Los Angeles): You have been very indulgent with me during the past days of the convention, having given quite some attention to the many times that I have appeared on the program. I have the honor to come from a city whose population is not one-fifth of a billion. It is the metropolis, however, of the Pacific Coast.

At the convention held last year in St. Paul, the delegation from California tentatively presented an invitation to hold the 1921 convention in the city of Los Angeles. I have heard during the past few days from many of the delegates if Los Angeles was going to second that invitation. I answered in the affirmative. One gentleman, whom you all know, said to me, "Why, Lewis, you're crazy; it's too far away!"

In answer to that I would like to say that it is no farther from Los Angeles to the city of Detroit or the city of Boston than it is from Boston or Detroit to Los Angeles. (Applause.) If delegations can come all the way across the continent to attend conventions in any place in which they are held, I believe that delegates would accept gladly the opportunity to visit the Western country.

We believe that the city of Los Angeles can extend to a convention the right kind and a unique kind of entertainment and facilities for holding a convention of the size of the Retail Credit Men's National Association. On behalf of the Associated Retail Credit Men of that city, it affords me great pleasure at this time to extend to you a most cordial invitation to accept that invitation to hold the 1921 convention of the Retail Credit Men's National Association in Los Angeles.

I personally have visited the city of Houston. I know quite a good deal of the people down

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there and I am sure if it was the consensus of this gathering to visit Houston for the convention of 1921 that they would give you a wonderful time, but I believe that if you would make it worth your while to cross the continent, to get across the great Rocky Mountains and come down to the Pacific Coast, I don't believe many of you have the proper conception of the distances between the Atlantic and the Pacific. It is quite a good deal of travel, I will admit, but once you get out there the only fear that I have is that it may disrupt in a great measure many organizations for I am firmly convinced that once there, that tentative arrangements would be made immediately for the permanent location of many of the delegates to that convention.

We will be glad to welcome you and we want to second the invitation extended in 1919 at the St. Paul convention to have the convention of 1921 held in the city of Los Angeles.

Thank you. (Applause.)



ADOLF GRASSO
National Director
SAN ANTONIO, TEX.

PRESIDENT BLACKSTONE: There is one question under this subdivision which we will merely put to a vote. Should store owners insist upon their credit men attending our convention? Is there any discussion or can we merely vote? All in favor give their consent by saying "aye." Carried unanimously!

We will now hear the report of the Committee on Audit. I suggest to the Convention the inadvisability of reading this very lengthy report which contains several recommendations of an accounting character. The particular feature of this report I will read, owing to the modesty of our Executive Secretary. "So far as the books of record show the Bank Balance shown on page 12 is the correct one for the fiscal year ending July 31, 1920."

MR. BARRETT (Baltimore): I move that the report be accepted and filed.

(Motion seconded and carried.)

MR. BROWN (Newark): I understand there are some recommendations there. I move that they be referred to the incoming Board of Directors.

PRESIDENT BLACKSTONE: Very well, sir.

Now, gentlemen, there comes a time in the life of every Association when the term of the various officers expires and when new officers are scheduled to assume the duties incumbent upon them.

MR. LEWIS (Wichita): May I have one word more on this subject of time of conventions?

PRESIDENT BLACKSTONE: The subject has been closed, but you can speak on it.

MR. LEWIS: When we left Wichita we found that we knew of but one man who could be here, myself. Two others have been planning the whole year to come to this Convention. On account of the time being the first half of August, it was impossible for them to come because of the vacation of the heads of the house. If this Convention had been held in the last part of August or before the first of July, it would not have been so, and I would suggest that that matter be considered.

I do not know whether that is just a temporary or local condition, but it affected two houses there; the credit men were very enthusiastic to come to this Convention. If the first part of August is in any wise universal in the effect it has on credit men not being able to leave their desks, we could increase the attendance considerably by putting it after the first of August.

PRESIDENT BLACKSTONE: Has any other member anything to propose in connection with the date of the Convention for 1921? These suggestions are received by the Board of Directors for their consideration, gentlemen, as an expression of the opinion of the Convention.

There being no further comments, we will proceed with the next order of business.

This Association has been honored today by electing as its chief executive officer a man who has devoted so much of his time to the up-building of the Associations in his part of the country, and the spirit germinated there has been helpful throughout the entire country in the achievements of the objects of our organization.

Last year at the Convention in the city that he represents was heralded as the Peerless City, and today the culmination of the work of his local Association has been achieved in the election to the office of President of our Association of the man who was so prominent in building up the Association in the Peerless City of Tennessee.

It would be useless to try to express the feeling of happiness that I have in being permitted at this minute to present to you your new President, Mr. George A. Lawo of Memphis (applause and cheers from the audience standing) and to give to Mr. Lawo this gavel which was given to me by past President Blandford as the emblem of the authority that he shall exercise over the Retail Credit Men's National Association during the coming year or until his successor is qualified.

I can assure you, ladies and gentlemen, that it is a great pleasure to me both personally and as your executive officer at this time to transfer to Mr. Lawo the duties devolving upon the office of President of your Association. I present to you, sir, this gavel and the future destinies of this Association. Mr. Lawo. (Applause.)

MR. LAWO: Mr. President, Ladies and Gentlemen: No greater honor can come to the retail credit man than the presidency of this Association and there is not a member of it that appreciates that honor any more highly than I do. Whatever qualifications I may lack as a presiding officer or as a President, I assure you I will not be lacking in the quality of willingness to work and in my opinion it is more necessary that a President or any other officer possess that quality than any other one.

If I succeed in doing as well as my immediate predecessor, I will be happy; I will be fully satisfied, because he possessed that one qualification about which I have just spoken. Some of you may not know it because he is not the kind of a man that tells such things about himself, but he actually purchased with his own money a desk and a typewriter which he had moved to his home to work for this Association, and I understand now that on account of the amount of work he has put in on that typewriter with his own fingers, he can't get the trade-in value on it that one usually gets on one that is a year old. (Laughter.)

With that dynamo of intelligent work that has been elected as First Vice-President, and with that energetic and hard worker who has been elected as Second Vice-President, and with the wonderful Board of Directors that has been

elected, there is no reason in the world why we shouldn't have, the coming year, the most successful one in the history of this Association.

A number of the members here have very kindly volunteered to help me during the year. I did not fail to make a note of their names and addresses, and I intend to call on them to work, and if I am inclined to work hard myself (as I am inclined to do) I am correspondingly inclined to make others work if I have the power to do so. I am certainly going to try to make others work, too, because I realize that personally I nor any other one man can do anything that amounts to anything for a big organization of this kind.

Now, before presiding at this meeting, I think we should have someone who is qualified to say something in behalf of our retiring President, and I want to ask Mr. Nelson if he won't undertake that task. (Applause.)

MR. NELSON: I should have been glad to do that, Mr. New President, if you hadn't put the word "qualified"; but I have been in the habit for a long time of doing what I am told to do.

Mr. President, this is a moment of joy and sadness—joy that my personal friend of long years' standing, and a man of such capabilities, has ascended to the Presidential chair, and that we may look forward to the coming year with great hope and courage; sadness at the departure from the Presidential chair of our good friend, Col. Blackstone.

He came to the Cleveland Convention, as I told you the other day, a stranger to us. We rapidly learned of his splendid life at home, his splendid activities in the many public services in his community and we almost unanimously, early in the Boston convention concluded that he was coming timber for the President of this Association.

During the year between the Boston convention and the St. Paul convention our good opinions were confirmed over and over again with the correctness of our opinion and we had many opportunities to see many things of the man. During this year we have been reassured on many occasions by our observations of the man that the Boston choice and the St. Paul choice was a wise one.

His eye has been single at all times, during this year, to the best service of the Association, to those things which would build the Association constructively and soundly. His counsel has been most excellent. His willingness to receive suggestions has been very gratifying and we have now come almost to the close of the most successful Convention in the history of our Association.

I do not know how I can describe our feelings about this man and his accomplishments any better than to attempt to tell you briefly of the little story which Hawthorne, I think it was, wrote about a peaceful little community in a certain valley, in the Eastern portion whereof stood a great rock with a great human face outlined upon it which, legend said, represented a perfect man, who should some day appear in person in this beautiful valley.

In an humble home in that community lived a boy named Ernest, who learned this story at his mother's knee and often gazed, in the twilight of the evening, upon the face on the rock with the ardent longing to some day see the man personifying everything good and noble, who should come up to the expectations of that community in connection with the legend.

Men of letters, military, and other fame visiting this community from time to time, were hailed as possibly being the ones to fulfill the lofty expectations of Ernest and the people of this community, but each, in his turn, was found selfish or lacking in some essential respects.

During all of this time, the high ideals entertained by Ernest had been developing in him many of the qualities of the perfect man, which he had so humbly and ardently looked for in others, without his having realized this development in himself; when he had become a man of mature years, and a great company of the home folks were looking at the face on the rock as the evening sun was setting, the people turning

to Ernest proclaimed with a shout: "Behold! Ernest, Ernest himself is the image of the great rock."

Friends, we come down to the closing hour of this Convention and behold in our humble and modest retiring President a man who has rendered such a wonderfully unselfish and valuable service to our Association that we turn to him, as did those people in Hawthorne's story; and, with love, admiration and gratitude for all that



MARTIN LARSON
Director
SIOUX FALLS, S. D.

he has done for us and for our Association—we exclaim with them: "Behold! Our past President is, himself, the image of the great stone face." Or, in other words, the reflection and embodiment of the good which he has so earnestly been striving to establish in and for our Association.

EX-PRESIDENT BLACKSTONE: A moment ago I stepped off this platform for the purpose of retiring from further participation in the Convention, but I have just been told that it is my duty to present to you those other officers whom you have elected. I knew that it was my duty to do so, but I thought that if there should be an opportunity for me to pass this over to the incoming President, it would be all the nicer and all the easier, and following the comments of Mr. Shirky a while ago, an indication that a little selfishness now and then is not at all amiss, especially in a hot Convention—in a hot room on a hot day. (Laughter.)

As I must again resume activity in this meeting it will be merely to serve as a sort of master of ceremonies insofar as my little capabilities can be used in that direction.

I will now ask that Mr. Metcalfe of Omaha escort the man from Lincoln, who has been elected First Vice-President of your Association, to this platform.

MR. METCALFE: Mr. Chairman, before carrying out orders, I want to say for the benefit of those present that the Nebraska credit men, no matter whether from Lincoln, Omaha, Scotts Bluff or where, have been depending upon, listening to and being aided by Mr. Nelson continuously. I have heard on this floor today several people ask what co-operation means. I believe part of it means service and sacrifice. I believe that Mr. Nelson embodies the spirit of service and sacrifice for his fellow credit man as much if not more than any credit man in the United States of America. (Applause.) I take pleasure,

ladies and gentlemen, in presenting and escorting to the platform your next First Vice-President, E. W. Nelson of Lincoln. (Applause and cheers from audience standing.)

MR. NELSON: Mr. President, Mr. Master of Ceremonies, and all of you Good Friends: It is a very happy moment in one's life, especially when one comes from one of the smaller cities, one of the newer states and in a humbler walk of life as compared with some of the tremendous big cities in the older States to be honored with the First Vice-Presidency of this Association, and it is a wonderfully gratifying feeling to have such a kindly expression extended as you have done during the days of the Convention and during the days of other Conventions and in the times between conventions.

A person couldn't help but serve and serve liberally when he is inspired with so much kindness, and I often wonder whether I deserve it



EDWARD MILNER
Director
CHICAGO, ILLS.

all and why it should be, and it spurs me on in efforts to try to do something to suitably repay the wonderful expressions of good will, consideration and kindness.

It shall be my earnest effort to deserve the honor which you have bestowed upon me today and to so conduct myself during the coming year that you will have no cause to regret your action of today or to wish that you could have taken it back when we meet a year from now.

I thank you from the bottom of my heart for all that you have said and done. (Applause and three cheers given to Mr. Nelson.)

MR. BLACKSTONE: Sometimes there comes an event into the life of a master of ceremonies wherein he has something of extreme pleasure to do, something that affords great satisfaction to my mind and great hope for the future, and I am personally pleased and I know that this Convention is pleased at the unanimous election of that "super-six" dynamo from New York—John M. Connolly, as Second Vice-President of this Association. (Applause.)

It is appropriate for me to ask Mr. David J. Price, Past President of the Associated Retail Credit Men of New York City, to escort to this platform and to present to you the new Second Vice-President of the Retail Credit Men's Na-

tional Association and the present President of the Associated Retail Credit Men of New York City. (Applause.)

(Three cheers given to Mr. Connolly.)

MR. PRICE: Mr. President: It is a great privilege for me to be allowed to say a few words to you in reference to that beloved man from the City of New York, who has been such a wonderful worker for this Association. I believe that in the time of most men there comes an opportunity when they can publicly express to their fellow man the high esteem in which they hold him; that's a real way to express their appreciation of what he has done, and I know that the members from the City of New York simply admire everything that the gentleman whom you have selected for Vice-President has done for this splendid Association.

In every man there are qualifications. It is most natural that there should be, but in some men there are more qualifications than in others and in Mr. Connolly we find a qualification of an ideal—something that he wishes to do for himself, but for the welfare of others.

Time and again I have seen him as the rest of the gentlemen from the City of New York have seen him working night and day and even Sundays on the work of this Association and also the work of the National Association.

I have heard a great deal said during this Convention in reference to women. Now, you all know that I certainly love the women. For that I make no apology, but I still am a firm believer, ladies and gentlemen, that women are the greatest inspiration that man ever had and when God placed wonderful woman on this earth, he placed the greatest ideal ever known to man.

In this Mr. Connolly is most fortunate in having a beloved wife and family, and the inspiration from that beloved wife and family is the inspiration to go on and do the work which is set out for him to do and he never hesitates.

I realize, Mr. Connolly, in bringing you on this platform among these distinguished gentlemen the very responsible duties that are going to be placed upon your shoulders from now on, but I say to you that the ladies and gentlemen from the City of New York, who love you so much, who admire your work, want you to go on and do all that you can not only for the Association of our beloved city, but for the National Association.

We want you to give your greatest support to our newly elected President and First Vice-President; and I am sure that in selecting this young man of capable attainments, of a pleasant disposition, that you certainly have not made any mistake and he will show you when the year 1921 has come around that he has done everything for the welfare of this Association (Applause.)

MR. CONNOLY: Mr. Chairman, Master of Ceremonies and Fellow-Members: It is very embarrassing for me to sit here and hear all these wonderful tributes paid to me. I like Mr. Nelson, often wonder whether I deserve them. You say I work hard and I do this and I do that, I am responsible for this and I am responsible for that. I don't feel that way about it. I don't feel one moment that my work in the local association or in the National Association would have been successful without the complete cooperation of our local association and your executives who served so faithfully and well last year.

To them, I give all this glory that has been placed at my door this afternoon. If it were not for them I would be lost in the rush. They supported me, they backed me up in everything that was requested of them; your national officers were ever-ready to support me in any of my requests.

I am not going to burden you with a lengthy speech, because I am not an orator, but I am going to say this: My hat is in the ring, my coat is off, my sleeves are up and I'm at it! (Applause.)

MR. BLACKSTONE: I am gratified to have to request Mr. Blandford, Mr. Slater, Mr. Snider, Mr. J. W. Lewis, Mr. Larson, Mr. Grasso and Mr. Burris to come to the front of the platform. (Members named did as requested.)

Ladies and gentlemen, your newly-elected Directors for the terms prescribed in the amendments to the By-Laws this morning. Their names I have just read to you so I will not repeat them.

I will say in the conclusion of my duties this afternoon that I present to you all of the newly-elected officers of your Association who are now in the Convention, and in presenting them to you in this manner I charge them, these Directors, with the duties incumbent upon them and these officers to carry out the destinies of your Association and to build up and advance every progressive feature of its objects.

I leave these new members of the Board of Directors and these officers in the custody of Mr. Lawo, your new President, and before I sit down I want to extend my personal thanks to Mr. Hickox of the Cleveland delegation and to the entire delegation from Oklahoma for the very excellent personal service that they have rendered to me in making this Convention a success.

Mr. Lawo will now take command. (Applause.)

PRESIDENT LAWO: According to our program, the next order of business is final adjournment.

MR. HELLER (St. Louis): Mr. President, before final adjournment, may I be permitted to say just one or two words?

In behalf of the man behind the gun—I have sat here and listened to the virtues and abilities and hard work of our newly elected officers being extolled and I firmly agree with everything that was said, that they are justly entitled to it, but the man that does the work, the faithful, untiring Secretary, has not yet been mentioned.

I don't think there is a member in this National Association that has been in closer contact with Mr. Woodlock during the past year than I have. In fact, I have been too close for his comfort.

Mr. Woodlock has been untiring in his efforts. Mr. Woodlock has never been too busy to answer questions or do a service for any member of the Association and I want to say if there is a man amongst us who is entitled to the thanks of this Association, it is David J. Woodlock, your Executive Secretary. (Applause and cheers from audience standing.)

MR. BLACKSTONE: Mr. President, I purposely omitted the name of Mr. Woodlock in my closing remarks for the reason that I gave to him in my annual report full credit for every accomplishment that has been done by this Association during the past year.

MR. JAMES (Tennessee): A question was asked a while ago that I expect, probably, off-hand I am the only one present who can answer it. Mr. Lewis asked why the month of August and date, etc., was fixed for the Association meeting, and I can answer that question, because I had a little to do with it at the time.

About 1907, when the National Association of Mercantile Agencies met in Louisville, Ky., that question was brought up and I had in my mind and advocated just this time, that we meet in August, and I advocated that we meet between the 10th and 18th.

Ostensibly the reason why I wanted it to be between the 10th and 18th, it would give the bookkeepers the beginning of the month and it was necessary for them to be at home along toward the last of the month, and I really had in mind that some time between the 10th and 18th would be more suitable for all the members of the Association.

And the reason we decided on August—we debated about different months, thought July was too hot and that September would be the beginning of the retail trade season and nobody could leave home then hardly, and that

August was the best time. That's the way it started in August. Later on, three or four years afterwards, when the National Association of Mercantile Agencies organized the Retail Credit Men's National Association in Spokane, they just kept that up and went on.

That is where you get your dates.

PRESIDENT LAWO: I couldn't hardly wait for Col. Blackstone to finish introducing the newly elected officers to get up and say what I intended to say about Secretary Woodlock. I embraced him in my remarks at first when I mentioned the Board of Directors, but I fully intended to make a special mention of Secretary Woodlock because it is upon him that I am depending to give me most assistance and it is because of his very efficient and hard work of the past year that I did not hesitate to accept the Presidency. Without his help, I know that my administration will not be a success and while the Secretary for the coming year has yet to be elected, I have heard of no rival in the field and I think it is well for any rival that might be expecting to get the position that I let him know he hasn't any chance. (Applause.)

SECRETARY WOODLOCK: Mr. President, Ladies and Gentlemen: I assure you it is very gratifying to have your work appreciated. Of course there is a slight difference in the work of your officers and mine. I get paid for my work and they don't. However, it was a great pleasure last year, and an incentive for me to work harder, to have associated with me the officers that you had elected. Your President, Col. Blackstone, worked in absolute harmony with me and there was never a time when there was the slightest friction between us. I don't know whether that is because we had the same ideas of what should be done for the Association, but I believe it was because we had the best interests of the Association at heart.

I have been a member of this Association for a number of years and served for two years as your President, and I am thoroughly imbued with its aims and objects and the ideals which we are striving to attain. During the time that I have been in the Association I have been intimately in touch with your new President and I know that if I am re-elected Executive Secretary that Mr. Lawo and I will pull in harness in thorough accord.

I thank you. (Applause.)

PRESIDENT LAWO: I am going to take the liberty to call on a gentleman in the hall who made a trip all the way to Detroit just to be here at the closing time because he was unable to get here sooner. I think this Convention would be the loser if we didn't have a few words from one of our former Directors, one of our best workers, Mr. Schmus of New York. (Applause and cheers from audience standing.)

MR. SCHMUS: Mr. President, I did not come here to deliver a speech. Those of the older members of this organization heard me speak many times. I did come, however, to see Cleveland, my former home town, carry off the trophies. (Applause led by Cleveland.)

I did come to see my friend Col. Blackstone make a garrison finish for his administration. I did come to see three men who are on the platform, men in whom we have been interested in past conventions, who have worked so nobly, promoted to their present positions. It is particularly gratifying to have had a hand in their promotion at other conventions.

I was amazed, I felt lost when I came into the convention room this morning. I looked over the faces here and it seemed to me that most of the old faces had gone. They had not gone, but there were so many new faces!

This spirit of progression that we have had in our organization has been both unselfish and wonderful—wonderful in its results. I think I said at the convention in St. Paul, or Boston, that some of us had carried on in the heat, carried the battle on in the days when we were much smaller, that the only way our organization could grow would be to have others take

hold. It is fine to hold an office, it is fine to be associated with the leading spirits in retail credit work in these Directors' meetings and in the official connection, but it's finer still to see other men come into action and carry on the work.

Co-operation from the start has been the watchword and the slogan of our organization. Its wonderful growth, its standing as the leading retail organization of America today, is nothing more or less than the proof that the organization was founded right and is bound to succeed if we will stick to first principles. I wish you every success. (Applause.)

MR. SCOTT (Chattanooga): Because of the youth of our organization, which is a little more than a year old, because this is the first Convention I have ever been privileged to at-

tend and I have kept still and listened to more experienced men. I just want to give you greetings from our one hundred members in Chattanooga and to tell you that when you are on your way to Houston or Los Angeles next year, to stop over and get acquainted and break the long trip at Chattanooga.

PRESIDENT LAWRENCE: The Directors will meet at 7 o'clock in Parlor A as previously announced; they are all expected to remain over tomorrow.

Is there anything that any member has to bring up just before we adjourn?

The program calls for the singing of "Auld Lang Syne" at the close of the convention.

("Auld Lang Syne.")

("The Star-Spangled Banner.")

ADJOURNMENT.

WHAT HAS BEEN DONE DURING PAST YEAR

- Established National Office.
- Increased membership 3,251.
- Organized 27 Local Associations.
- Perfected "Bad Check" Plan.
- Located 12 per cent of "Missing Debtors" reported.
- Published CREDIT WORLD of not less than 32 pages each month.

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Members are interested in locating the following persons. If you know anything regarding them, report at once to the National Office, where a record is kept of the member making the inquiry. Members reporting names for these columns are urged to give the occupation of the "skip."

Andrew, John R., salesman Northwestern National Life Insurance Co. in 1914-15. Heard from about a year ago when he was in Navy and stationed at Mare Island, Cal. Informant advises me, is sure he can be traced through them. Mother moved to San Francisco from Leadville, Colo., about a year ago, and has an apartment there.

Anderson, Geo. R., Jr., Chauffeur; came here from St. Louis in 1915, and about June, 1916, returned there. We have addresses in St. Louis as 3923 Finney Ave., and an earlier one of 3620 Olive St., another member advises me he shows 4620 Olive St. instead of 3620. This party is a negro.

Babcock, R. A., was Babcock-Reid Investment Co.; came to Denver in 1912-13. Last heard of was traveling out of Chicago or New York. 6233 Kimbark Ave., Chicago, is one address we have on him, and 121 Madison Ave., care of Williamson Trust Co., Memphis, Tenn., is another.

Bailey, J. H., P. O. Box 345, Salina, Kans.; worked for the Williamson-Haffner Printing and Engraving Co., Denver, Col. Exact occupation unknown, but doubtless printer or engraver.

Bartholomew, A. J., formerly Ft. Morgan, Colo.; went to Bath, Pa., in 1916.

Acker, Miss Nina, formerly Fostoria, O., later Max Hirsch, Casper, Wyo.

Alatarre, J. B., 3116 W. Houston St. San Antonio, Tex.

Aldrich, Miss Rose, 116 15th St., Toledo, O., care General Delivery, Milwaukee, Wis.

Bailey R. L., 9½ N. 24th St., Birmingham, Ala.; sheet metal worker, Bragan Bros. Think he is in Knoxville, Tenn.

Bell, H. G., 1116 W. St. Joe St., Lansing, Mich. Bensinger, L. E., 1449 Emerson, Lansing Mich.; worked for Michigan Screw Co.

Blanton Laura, formerly Indianapolis, Ind., went to Atlanta, Ga.; school teacher.

Borland, Mrs. E. S., Sagertown, Pa.

Briggs, John, 3rd 104 W. 93rd St., New York City. Briggs, Miss Willa, Weston, O., later Hawthorne, O. also Royal Oak, Mich.

Butler, P. H., 414 Locust St., Kansas City, Mo., conductor, S. A. Pub. Service.

Blerly, W. L., 612 W. Williams, Lansing, Mich.

Cannon, W. B., traveling man for the Lyon Tire & Rubber Corp., Chicago, Ill.; was in Shreveport, La.

Carlton, Mr. C. G., Kansas City, Mo., employed by the White Co., 1619 McGee St., Kansas City, Mo.; supposed to be in St. Louis, Mo., St. Louis Branch of the White Co.

ADDRESSES WANTED

- Cartnal, Mr. A. L., 1025 Dillon St., St. Louis, Mo., formerly with delivery department, B. Nugent & Bro. D. G. Co.
- Cartwright, E. W., 310 N. Capital Ave., Lansing, Mich.
- Case, Ethel, 1122 Platt St., Lansing, Mich.; worked at Olds Axell Plant.
- Casneau, W. D. (Colored), left Lincoln, Neb., about a year ago; think went to Minneapolis, Minn., or St. Paul, Minn.
- Christian, Clark, R. F. D. No. 3, Detroit Ave., Lansing, Mich.
- Cohen, Mr. Joe L., 2618 N. 22nd St. St. Louis, Mo.; confectionery.
- Cole, Thos. J., 4833 Milentz Ave., St. Louis, Mo.; later at Salem Mo.; formerly with Mo. Pac. R. R. Co.
- Collins, George, 311 Howe Co., Lansing, Mich.; worked for Bissinger's Green House.
- Compton, R. L., 318 4th St., Fort Worth, Tex.; traveling salesman; worked for Prytval Chemical Co., Beaumont, Tex.
- Coughlin Miss Helen, 449 Stoner Ave., St. Louis, Mo.; formerly with Ely Walker D. G. Co.; also Fagin & Kane, Oriel Bldg., St. Louis, Mo.
- Crockett, Mr. Ben, Detroit Mich.; ex-saloon keeper Nashville, Tenn.; last address, General Delivery, Flint, Mich.
- Crombarger, Mr. and Mrs. D. Watson, Reliance Ins. Co., St. Louis, Mo.; his wife was formerly Mrs. E. L. Colp.
- Dascomb, Mrs. H. N., 1000 Corona St., Denver, Colo.
- Davidson, Mr. and Mrs. J. E., 1818 Ave. H., Ensley, Ala.; Plunger craneman, steel plant, T. C. I. Co., Ensley, Ala.
- Davis, Chas. 423a Easton Ave., St. Louis, Mo.
- Donovan, C. Le Baron, 2112 Ave. H., Ensley, Ala.; Southern Bell Telephone Co.; think he is now with the Pacific Telephone Exchange, Oakland, Cal.
- Easterlin, John L., Tiger Bay, Fla.; Goodyear Tire & Rubber Co.; was with the Tennessee Coal I. & R. R. Co., at their by-products plant Fairfield, Ala.
- Epstein, H. T., Hartford, Conn.; now somewhere at Asbury Park, N. J.
- Fiedler, G., 1001 Hays St., El Paso, Tex., brakeman for G. H. & S. A.
- Fields, Watson S., 2500 16th St., Ensley, Ala., also 2800 Ave. E Ensley, Ala.; order clerk, electric dept., T. C. I. Co., Steel Plant; think he is in Akron, Cleveland or Youngstown, O.
- Fink Bros. Mfg. Co., 403 Republic Bldg., Cleveland, O.
- Fletcher, E. C., contractor during fall and winter 1919-20 in Shreveport, La., and Cedar Grove, La.; left for parts unknown.
- Flynn, J. H., 1st ident., Consolidated Oil Lease Co., San Antonio, Tex.
- Foster, Mrs. Birdie, 216 S. Capital Ave., Lansing, Mich.
- Gabrath, J. W., 722 S. Pine St., Harton, Tex.
- Gard, S. E., salesman in men's furnishing, Muskogee, Okla., a former resident of Waukegan, Ill.; his wife was working in ladies ready-to-wear store at Muskogee.
- Gatz, Mrs. Augusta, 1419 Birch St., Lansing Mich.
- Girard, F. O., 649 W. Elmira St., San Antonio, Tex.
- Goff, T. D., 2822 Ave. I, Ensley, Ala.; assistant cashier Bank of Fairfield; think he is now with some real estate firm.
- Grant Stillman, 1231 E. 85th St., Pittsburgh, Pa.
- Grant, Mrs. J. W., 63 E. College St., Oberlin O.
- Graves R. P., formerly 934 Jehl St., Memphis, Tenn.; Phoenix Cotton Oil Co.
- Gunn Thomas G., 327 Belmont St., San Marcos, Tex.; bookkeeper for Artesian Ice Co.
- Hamilton, L. L., 110 Pennsylvania Ave., St. Louis, Mo.; insurance agent.
- Hannah, Leon, St. Louis, Mo. also 217 Elliott St., Detroit, Mich.
- Hewett, Miss Bessie, 1023 S. Alamo St., Shreveport, La.; stenographer for A. A. Gray.
- Howell, H. R. Mr., 4114 Agnes Ave., Kansas City, Mo.; Studebaker Corp., also Federal Sign System, Kansas City, Mo.
- Johnson, Nellie, nurse, Great Lakes, Ill.
- Johnson, W., 2906 Roosevelt Ave., Chicago, Ill.; decorator.
- Jones, Robt. Hall, 1922 Ave. I, Ensley, Ala.; manager, Franklin & Bell Theatres; last heard of in Knoxville, Tenn.; later at Cleveland, O.
- Jones, W. B., 1001 Carson St., Dallas, Tex.; clerk.
- Kannawin, Mrs. Robt., 7019 Lexington Ave., Cleveland, O.
- Klenwetter Bruno 104 Bois D'Arc Ave., San Antonio, Tex.; German teacher, high school.
- Kinder, Miss Mabel, 609 Navarra St., San Antonio, Tex.
- Kyle, R. A.; 318 E. Cincinnati Ave., Eastland, Tex.
- LeGeyt, L. M., Windsor Ave., Hartford, Conn.
- Leiber, Chas. F., in St. Louis in 1918, went to Los Angeles, Cal., and from there to San Diego, Cal.; traveling salesman; separated from wife.
- Lima James, 725 S. Claymont St., Wilmington, Del.
- Losinsky, Frank, 515 S. Pilaeis, San Antonio, Tex.; mechanic.
- Lowery, C. E., 694 Mason St., San Antonio, Tex.; conductor, M. K. & T. R. R. Co.
- McCarthy, Mary F., Ft. Sheridan, Ill.; U. S. nurse at Ft. Sheridan.
- McClain, J. J., tank construction contractor; supposed to be in Fort Worth, Tex.
- McCready, Katherine, nurse at Ft. Sheridan, Ill.; formerly at Norton, Va.; last heard of in New York City.
- McGregor, W. E., 423 Martin St., Fort Worth, Tex.; rooming house.
- McLaughlin, Mrs. W. J., 151 High St., Columbus, Ohio.
- McNichols, Mr. James, 5231 Pauline Ave., St. Louis, Mo.; furniture salesman.
- McPherson, J. R., real estate business, coming from Laurel, Miss., also interested in oil; formerly Oklahoma City, Okla.
- Mallory, Hazel, house maid, Lake Bluff, Ill.; her home is supposed to be at Vincennes, Ind.
- Meheliz, H. C., formerly 3226 Central Ave., Kansas City, Mo.; moved to 45th St., Chicago, Ill.; later moved to Sidney, Iowa, and was employed by Sidney Electrical Co.; left there, supposed to be in South America.
- Miller, Mr. Wm. T., auto salesman, Hebb Motor Co., Lincoln, Neb.; the American Commercial Car Co., Detroit, Mich.; the Iowa Motor & Truck Co., Ottumwa, Iowa; last heard of in Indianapolis, Ind.
- Molder, Mrs. Viola, 817 N. 16th and 1617 Vine St., Lincoln, Neb., with the McFarland Printing Co.
- Nathan, S. N., 411 W. Cypress St., Beaumont, Tex.; traveling salesman for San Antonio Shoe Co.
- Nelson, Clara, manicurist, Los Angeles, Cal.; speaks with Swedish accent; supposed to have gone to San Francisco, Cal.
- O'Connor, Thos., auto mechanic, New Orleans, La., supposed to be in California.
- Paradis, J. Edgar, insurance agent, 17 Mattone St., Springfield Mass.; formerly with Metropolitan Ins. Co., Hartford, Conn.
- Peltz, A., Waterloo, La.
- Pendleton Roy L., Hotel Hillman, Birmingham, Ala.

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Place, James H., 1923 S. Washington Ave., Lansing, Mich.

Quinn, Miss L., Holt, Mich.

Rodman, Mrs. M., 1114 West Exchange St., Akron, Ohio.

Rose, Mr. J. D., formerly of Seattle; Baker, Ore., and Emmett, Idaho. Mrs. Rose is also known as Madam Brenham, her stage name.

Sawyer, R. C., 411 E. Quincy St., St. Louis, Mo.; office man.

Schirring, Mrs. R. W., Lima, O.

Scott H. L., 17208 Ave N, Birmingham, Ala.; chief clerk, Frisco R. R.; was with the Southern Pacific R. R. Co.

Seabury, Mr. W. S., 8015 Euclid Ave., Cleveland, Ohio.

Smith, Della, waitress, Waukegan Ill.

Smith, Dow, Birmingham, Ala., was in Wichita Falls Tex., and is thought to be in the oil fields somewhere in Texas.

Smith, James, laborer, Waukegan, Ill.

Steurle, Albert H., 3940 Westminster Pl., St. Louis Mo., Van Camp Packing Co.

Strickland, B. M., pharmacist, Rockford, Ill.; his wife is dancing teacher.

Sullivan, W. M., 1006-10 Ave. N.; clerk Frisco R. R. Co.; left here several weeks ago for his father's, at 11 Greenwood Pl., Decatur, Ga.

Swope, Mr. Willis G., 342 Collinsville Ave., East St. Louis, Ill. St. Louis Commercial College, St. Louis, Mo.

Tornell, A., Lincoln, Neb.; think he came here from Minneapolis; said to have left here for Deming, N. Mex.; plumber.

Tyson, Fred R., Birmingham, Ala.; now supposed to be in Atlanta, Ga.

Walker, J. M., 609 Jackson St., Port Lavaca, Tex.; mounted officer.

Wallace, Mrs. Sadie, 1624 E. 73, 1289 E. 82nd, 7019 Lexington Ave., Cleveland, O.

Walsh, S. P., Mill Laborer, Cairo, Ill., also West Helena, Ark.

Watson, C. C., office work Lincoln, Neb.; formerly Marshalltown, Iowa; believed to be in oil fields in Oklahoma.

White, Chas. A., automobile broker, 1017 American Hotel, St. Louis, Mo.

White, L., 592 Market St. Akron O.

Williams, Kathryn, cashier and salesman, Waukegan, Ill.; last heard of traveling with husband who is connected with show business in the South.

Wilson Mr. Arthur G., accountant, 1019 Little Bldg., and 704 Commonwealth Ave., Boston, Mass.; representative of LaSalle Extension University.

Wilson, J. C., 512 E. Elimara St., Austin, Tex.; general sales department, American Rep. Co. Zerner, J. H. carpenter, R. F. D. No. 5, Box 178, Houston, Tex.

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